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The National Economy San Marcos, Texas

The government's restrictive economic policies, tight money and the highest interest rates since the 1860s are slowing the pace of economic activities, sharply reducing home-building and boosting unemployment—in the name of fighting inflation.

Present trends point to a continuing rise of unemployment and a threatened collapse of residential construction. There is a growing danger of recession.

By the early months of 1969, the government's restrictive tax, expenditure and monetary policies were slowing the rate of economic expansion. But additional measures, during the following months, squeezed the economy, with particular pressure on residential construction.

The prime interest rate that the commercial banks charge on loans to their blue chip customers—the rate on which other interest rates are scaled—was raised to an unprecedented 8½% in June, bringing this basic price of money up 31% in a year, the highest price increase of all. Soaring interest rates raised the cost-of-living, boosting prices from the farmer and manufacturer to the retailer and consumer—sharply hiking the price of homes, mortgage payments and rents.

Home-builders postponed construction, as most people were priced out of the market for homes and new apartments and as builders' loan costs and mortgage rates shot up. Rising interest rates compelled local and state governments to put off some of their planned building of public facilities. Many small-and medium-sized businesses postponed expansion plans.

On top of these policies and developments, the Administration's requested appropriations for vital social programs, such as education and anti-pollution, have been cut substantially below Congressional authorizations. Moreover, the Administration announced a 75% cutback of planned federal construction and requested the states and local governments to curtail their building plans, as well.

The squeeze on the economy has had the expected dampening effect on sales, production and employment.

- The real volume of total national production increased at a yearly rate of only 2% in the second quarter of 1969—down from nearly 5% in 1968.

- Housing starts dropped 28% from a yearly rate of 1.8 million in January to a rate of 1.3 million in August and were heading down.

- Retail sales in the June-August period were up only 2.4% from the same months of 1968—less than the increase in retail prices, indicating some decline in the physical volume of consumer-goods sales.

- Unemployment rose 222,000 between January and August and was heading up, while the number of workers compelled to work part-time, because full-time work was not available increased 396,000.

- The rise in unemployment was greatest among construction workers and Negroes—among workers in home-building, which was hit first and hardest, and among the least skilled, most vulnerable Negro workers. Moreover, the rise in unemployment and under-employment was spreading to other parts of the economy.

The squeeze on the economy has been growing tighter with adverse impacts on workers, consumers, small business and farmers—in the name of an anti-inflation program—yet prices have continued to increase, despite the setback and threatened reversal of the economic gains of the 1960s. The cost-of-living, in recent months, was up 5½% from a year ago, washing out all or most of the buying power of workers' wage gains of the past year.

Moreover, the Administration's policies have been hardly effective in combating the only inflationary demand pressure in the economy—sharply rising business investment in plant and equipment, which increased at a yearly rate of about 11½% in the July-September quarter. A 10%-12% increase in such investment outlays is expected in 1969, despite the highest interest rates in 100 years and the fact that industry is operating only 84% of its present productive capacity.

Tight-money and high interest rates have had little, if any, effect on the investment boom of the big companies—with their own large reserves and their lines of credit at the major banks where they pay the lowest available interest rates. Generally, restrictive policies affect the big corporations only after the incomes and demand of other economic groups are so depressed that the sales of the blue chip grants are curbed. This blunderbuss policy can finally curtail the investment boom by pulling down the house, with large-scale unemployment.

The one-sector capital goods boom rests essentially on the skyrocketing flow of cash to the corporations—the profit inflation of the 1960s—while improvements in wages and salaries lagged far behind. The unfair distribution of the benefits of the

economic gains of the 1960s, which fuels the fires of the investment boom, is clearly seen in the record.

Between 1960 and the first-half of 1969:

- Corporate profits, after taxes, skyrocketed almost 95%.

- But the total after-tax personal income of all people in the economy increased only 76%, reflecting increased employment as well as the income-gains of individuals.

- And the weekly, after-tax take-home pay of the average non-supervisory worker (over 47 million in private, non-farm industries) increased only 35%—and, in buying power, merely 10%. Indeed, the buying power of the average non-supervisory wage and salary earner's after-tax weekly take-home pay, in recent months, has been no greater than in 1965.

In the 1960s, after-tax corporate profits rose about 170% faster than the weekly take-home pay of the average worker and approximately one-fifth faster than the total after-tax personal income of all Americans. The corporations—particularly the major banks and blue-chip giants—have received a disproportionately large share of the economic gains of the 1960s and have been beneficiaries of the rising price level.

America needs a much-improved balance between the buying power of wages and salaries, on the one hand, and business profits and outlays for plants and machines on the other. Such better balance in the private economy is needed to provide the framework for economic expansion, without booms and busts. The profit inflation of the 1960s must be halted.

A reduction of price pressures can and must be achieved, without a growing army of unemployed. The employment-gains of the 1960s must be extended—and not reversed by stiffing the economy.

The nation's efforts to solve the crisis of the cities, racial discrimination and poverty must move forward. To call a halt to these essential efforts, which were begun in the past several years—or to bring them to a standstill—can jeopardize the future of America. Therefore, be it

RESOLVED: 1. The top-priority objective of national economic policy should be to achieve and sustain full employment—: jobs at decent wages for all people who are able to work and desire employment. The federal government's tax, expenditure and monetary policies, in combination, should encourage the necessary expansion of the economy to provide enough job opportunities for full employment.

For the hard-core unemployed and seriously under-employed, adoption of a large-scale public-service employment program is

essential. The government should become the employer of last resort.

2. The Administration's blunderbuss economic policies must be replaced by selective measures aimed at restraining the specific causes of actual inflationary pressures. The 7% tax credit subsidy for business investment in new equipment should be ended, as well as the fast write-offs of investments in real estate operations, except low- and moderate-income housing—to curb the profit inflation and capital goods boom.

3. Government action is needed to curtail the biggest wave of business mergers, in American history, which has been creating a greatly increased concentration of economic power in the hands of a narrowing group of business firms and banks, with a growing ability to administer prices in numerous industries. In addition, the spotlight of public attention is needed on the pricing policies and financial operations of the dominant corporations in key industries.

4. The Administration and the Congress should take every possible action to roll back interest rates. A careful and comprehensive Congressional examination is needed of the nation's monetary mechanisms and policies. Such an examination should form the basis for much-needed reform of the monetary machinery to provide an ample and growing money supply and reasonably low interest rates.

5. The specific causes of such rising pressures on the cost-of-living as physicians' fees, hospital charges, auto and property insurance rates and housing costs (including soaring land prices and interest rates) should be examined carefully for the development of selective, practical measures to dampen these pressures.

6. We repeat: If the President determines that the situation warrants extraordinary over-all stabilization measures, the AFL-CIO will cooperate, so long as such restraints are equitably placed on all costs, prices and incomes—including all prices, profits, dividends, rents and executive compensation, as well as employees' wages and salaries. We are prepared to sacrifice as much as anyone else, so long as there is equality of sacrifice.

7. The stagnation of real wages and salaries must be ended. The buying power of wages, salaries and fringe benefits must rise sufficiently to provide workers with a fair share of economic progress and to strengthen mass consumer markets, which are the foundation of the American economy.

8. Justice in the federal tax structure is long overdue. To provide a fair and equitable basis for raising federal revenue, the loopholes of special tax privilege for wealthy families and corporations must be eliminated. The poor must be taken off the

federal income tax rolls. The tax burden on low- and middle-income taxpayers must be reduced.

State and local government tax structurers must also be revised to make them both more productive and more equitable.

9. A national manpower policy, based on federal programs and funds, is essential to assist workers and communities to adjust to the disruptive effects of rapidly changing technology and to aid workers to compete more effectively in the job market—as a supplement to policies to sustain full employment. Central to such a national manpower policy is the need for an effective nation-wide U.S. Employment Service, as well as genuine, public and private training programs to up-grade the skills of the workforce, effective measures to rehabilitate the economic health of chronically distressed communities, adequate systems of vocational and general education and federal relocation allowances to assist unemployed workers who wish to move to areas of job opportunities.

10. Full and fair employment opportunities for all minority groups are essential.

11. Measures to solve America's balance-of-payments difficulty should be taken within the context of policies to reach and sustain full employment. A strong full-employment American economy is essential for strength and confidence in world money markets. The government should be provided with tools to effectively restrict the outflow of private capital from the United States. We urge the government to continue to take a strong and positive lead in working for the development of an international monetary mechanism, which can provide a sound basis for the long-run solution of the balance-of-payments difficulties of the United States and other nations.

12. When the war in Vietnam ends, the government should use every possible means to assist returning veterans and affected defense workers and communities to adjust to civilian employment.

13. We urge the federal government to develop, as soon as possible, a comprehensive and coordinated national inventory of needs for housing, community facilities and public services, coordinated by the Council of Economic Advisers. A detailed inventory of present backlogs and growing needs should be prepared by each state and metropolitan area, as well. On the basis of such national, state and metropolitan area inventories of needs, the federal government should provide plans and programs to meet specified requirements within specific periods of time—through financial and technical grants-in-aid to the states and cities and guaranteed loans, as well as through direct loans and direct federal efforts. The timing to reach established targets for meeting the various categories of needs should be speeded up

or slowed down, depending on the availability of manpower and productive capacity, within the context of expanding programs. A massive, coordinated national effort to meet these needs is long overdue, to strengthen the fabric of American society.

14. We call upon the federal government to establish a technological clearing house to gather information on a continuing basis on technological change and its effects on the welfare of the American people, as a basis for public and private programs of adjustments to the disruptive impact of spreading automation. We urge the government to provide unions and employers with a comprehensive information and assistance service that could provide assistance, upon request, in developing labor-management solutions for the complex problems that are related to the impact of automation at the work-place. We also urge the government to encourage research and development in new technology for meeting national needs in such areas as pollution control, urban transportation and improving the quality of life in the 1970s.

15. In implementing the intent of the Employment Act of 1946, it is essential that the President's Council of Economic Advisers annually present its best estimates of how much additional consumer spending and business investment, as well as government expenditures and investments, will be needed to achieve and sustain full employment of a growing labor force, in the face of spreading automation, in the year ahead and in the coming five and ten years. These estimates should be coordinated with the government's inventory of needs for housing, community facilities and public services, as well as with the government's programs towards meeting those needs.

16. In order to improve the operations of the economic system, the President should call an economic conference, early each year, attended by leaders of the major economic groups. Exchanges of information and viewpoints, concerning the government's forecasts and policies—as well as trends and developments in the private economy—can improve the economic policy-making process.

We are confident that America has the productive ability and human ingenuity to meet our society's needs, within the framework of democracy and free institutions. The 1970s can be a decade of substantial improvements in the quality of American life. What is needed is the will and national sense of purpose to meet the needs of a growing and increasingly urban population and to strengthen the fabric of our society.

Federal Tax Policy

Federal tax policy has become an important tool for the advancement of the nation's economic and social goals.

The federal government's revenue-raising abilities have been increasingly called upon to meet the needs of a growing and increasingly urban population for public facilities and services, to alleviate the plight of America's 25 million poor and to ease the financial pressures facing many states and most cities.

Since we as a nation seek so much from our tax system, it is imperative that taxes be levied in a fair and just manner, adhering strictly to the principle of ability-to-pay.

The 13.5 million members of the AFL-CIO are, almost without exception, taxpayers. Union members appreciate the value of government. They are aware of the need for public funds and the facilities and services such funds provide. They are loyal Americans and they are willing to pay their fair share of taxes.

However, the federal income-tax structure has drifted far afield from America's standards of fair play, and an unduly large share of the cost of government is heaped on the shoulders of workers. The unfair manner in which federal taxes are raised seriously limits the effectiveness of federal tax policy in forwarding national objectives.

In 1967, the federal income taxes paid by millionaires averaged only 25% of their total income. Twenty-one of these millionaires and 134 other persons whose reported incomes exceeded \$200,000 paid not one cent in federal income taxes.

At the same time, an \$8,000-per-year married wage earner paid \$1,000 in federal taxes and 2¼ million taxpayers whose incomes fell below the government's poverty-income threshold paid \$100 million in federal taxes.

The federal tax structure is rigged against wages and salaries—against income from work. It is rigged in favor of unearned income.

This unfair rigging is the result of the triple standard applied to income taxed by the federal government.

One standard applies to wages, salaries and other forms of so-called ordinary income. This income is taxed in full, and for workers, the tax is regularly deducted through payroll withholding.

A second standard applies to income from the sale of stocks, real estate and other so-called capital assets at a profit. Only half of such income is taxed. And under present law the tax can

never be more than 25%—even for those in the very top tax brackets.

A third standard is applied to certain forms of income which never even appear on the tax form, such as the interest on state and local bonds, or the income that is washed out by phantom, non-existent costs as oil depletion, fast depreciation write-offs, and bookkeeping farm losses. This income completely escapes taxation.

The wealthier you are, the greater are the opportunities to take advantage of these preferentially taxed or untaxed forms of income.

The Congress is presently engaged in an effort to reform the nation's tax structure. The Tax Reform Act of 1969, passed by the House of Representatives, represents a major step down the road toward tax justice. Unfortunately, it does not go far enough and the Administration's recommendations, if adopted, would undo many of the forward measures proposed by the House and add additional inequities. The House action should be improved upon and all proposals, including those of the Administration, which would move the tax structure still farther away from America's standards of fair play should be rejected.

The House-passed Tax Reform Act of 1969 would trim, though not eliminate, a number of the loopholes and gimmicks in the tax structure that provide special, unfair tax bonanzas for the very wealthy.

The House action would also eliminate the 7% investment credit to business—a device the AFL-CIO has always opposed. The House bill would also curb some capital-gains abuses but the preferential capital-gains half-tax—the prime culprit in the unfairness of the tax structure—would remain intact. And, the Administration has proposed to weaken even the modest capital-gains reforms proposed by the House.

It has long been the AFL-CIO position that all special tax privileges, and particularly those which discriminate between earned and unearned income, are completely unfair and must be eliminated. That remains our position.

Effective loophole closing is one dimension of tax justice—appropriate tax relief is the other.

Under the House action, the working poor would be relieved of any federal income-tax obligation. This is a measure long sought by the AFL-CIO.

However, unnecessary tax cuts are proposed for the wealthy, and only a modicum of relief has been offered to those just above the poverty-income threshold and middle-income wage and salary earners.

The Administration claims the House has gone too far in its proposals to reduce the unduly large tax burdens borne by those of low and middle incomes. But, the Administration agrees with the House proposals to reduce the taxes on the wealthy.

The Administration has urged the Senate to grant less tax relief than the House bill for low- moderate- and middle-income taxpayers and to disallow the personal income-tax deduction for state gasoline taxes. On top of this, the Administration recommends a corporate tax-rate cut.

We do not agree with the generous rates reductions for wealthy taxpayers recommended by the House and the Administration nor with the Administration's proposal to disallow state gasoline tax deductions; and certainly, there is no justification for the Administration's proposed \$1.6 billion cut in corporate income-tax rates.

We believe there is every justification for a significant reduction in the taxes paid by low-, moderate- and middle-income taxpayers. At the same time, we believe there is an urgent need to protect federal revenues. Dollars must be available to fully fund existing federal programs and enact new ones to enhance the nation's economic and social environment. The stage must not be set for meat-axe budget cutting. These goals can be achieved by effectively closing tax loopholes and ending tax gimmicks.

The AFL-CIO seeks tax justice. This requires:

1. The complete removal of the impoverished from the nation's tax rolls.
2. A meaningful reduction in the relative tax burdens of low- and middle-income families.
3. The elimination of the loopholes of special tax privilege for wealthy families and businesses.

Most of the present inequities in the tax structure have developed over a quarter-century of horse-trading for special privileges, frequently under the guise of incentives to encourage an activity in the national interest. Unfortunately, the costs of these special privileges in terms of dollars, equity, wastefulness and taxpayer confidence have far outweighed any benefits.

Despite this sad record, additional tax loopholes for wealthy people and corporations are now being advocated as panaceas for virtually every national ill that can be identified. There is talk of adding new tax gimmicks for real-estate operators, many of whom are now more accurately considered in the business of constructing tax shelters rather than shelters for people. And there are tax-forgiveness proposals ranging from those which would provide tax incentive subsidies to industry

for on-the-job training and inner-city industrial development to those which would encourage gold mining.

Those who make these proposals would further reward those who already more than adequately share in America's affluence, and use as their excuse, the plight of those who are today in trouble because they do not have their fair share.

We view such schemes as haphazard, costly and wasteful approaches to meeting the nation's goals. Tax forgiveness has the same impact on the federal budget as a direct expenditure. Yet, through such gimmicks the federal government relinquishes budgetary control to the wealthy investors and businesses who reap most of the benefits—without federal performance standards. When a privileged few are provided shelters that enable them to avoid their fair tax share, others must reach deeper into their pockets.

We believe that America has the resources to meet our domestic problems and help solve the financial crises facing many states and most large cities. And we believe that the federal government through its broad and productive tax base enjoys a unique ability to marshal these resources.

But we believe that the nation's best interests will not be served through tax-forgiveness schemes or "no strings" aids to states and localities that are not geared to specific programs, developed in line with Congressionally-defined national priorities and subject to federal standards of performance.

Finally, we call for unequivocal dismissal of all proposals for a federal retail sales tax. Whether such proposals are called "value-added" taxes or offered clearly as a tax on consumers, the effect is the same—those who can afford it least bear the brunt of the burden.

The Urban Crisis

This is a time of crisis for urban America. Reflected in a broad spectrum of social and economic problems, the crisis of the cities has become one of the major domestic issues of our time. The problems resulting from the radical and rapid social and economic changes of the past quarter of a century now demand solutions.

The population of America's urban centers has skyrocketed, with an increased birthrate and the migration of millions of people from the farms and rural areas. At the same time middle-income families have been moving out into the suburbs, leaving cities with a minority of upper-income families and large numbers of the poor, the unemployed, and the new migrants.

In the past quarter of a century, the spread of automation has reduced job opportunities for uneducated, unskilled workers and speeded up the shift of industrial location from cities to suburbs and outlying areas. The need for adequate housing, community facilities and services has soared, while the tax base of the cities has narrowed. And despite the long-overdue adoption of federal civil rights legislation, discriminatory practices are still a widespread reality, although rapidly declining under the pressure of government, as well as of churches, trade unions and other private institutions.

Slum schools frequently fail to provide quality education for the children of inner city residents. The number of welfare recipients has continued to rise. The incidence of crime, especially in the inner city areas, has gone up dramatically over the past several years. The availability of decent housing continues to be a major problem for the poor and the minorities residing in our large urban centers. The availability of urban transit, of sanitation, health and other community services, especially in the poor neighborhoods, continues to decline. There are no overnight solutions and instant panaceas that will resolve this complex of problems. Slogans won't produce positive results.

We in the AFL-CIO believe that there are solutions to the problems of the cities and we are committed to work toward these solutions. We recognize that our cities are essential to the preservation of a free and democratic society.

The nation has been alerted to the seriousness of the problems of urban America. Already some positive steps have been taken toward the solution of some of these problems.

What is needed is the commitment of very substantial amounts of federal funds and strong national leadership to these programs that are necessary to revitalize our urban areas as centers of American civilization.

Housing and urban development

There is a shocking failure in this country of great material wealth to provide safe, decent, sanitary housing in neighborhoods open to all and available at prices people can afford to pay. Today there are at the very least 11 million substandard and overcrowded dwelling units in the United States. This is 16 percent of the total housing inventory.

In the 1968 Housing and Urban Development Act, Congress set a national housing goal calling for production over the next ten years of 26 million dwelling units, 6 million of which are to be for low and moderate income families. This calls for production of 600,000 moderate income units per year. We would set the goals even higher and include an annual production of 1,000,000 low and moderate income units.

The unmet need for additional housing to serve the lowest income families who cannot be decently housed without federal assistance is staggering. It is a critically important factor in the crisis of our cities.

Authorizations for low-rent public housing should be stepped up without further delay to a rate of 300,000 units a year and as soon as possible to 500,000 units a year. We strongly support the proposal in the 1969 Housing Bill to provide additional assistance to very poor tenants of public housing projects. The neediest families must not be excluded from public housing.

All of the tools for urban redevelopment already provided must be fully activated and funded. Also fully funded and put into high gear should be low and moderate income subsidies for home ownership and public housing, model cities, urban renewal, rehabilitation grants, loans, and mortgage insurance, cooperative housing, rent supplements, housing for senior citizens, and equal housing programs.

Because of the mobile nature of their work and of their low income, provision of adequate housing for migratory farm workers and for their families is a special problem which requires special consideration.

We recommend the development of a special program designed to provide "home base housing" for migratory farm workers at strategic locations. Publicly constructed and owned housing centers for these workers and their families should be included as a local non-cash grant-in-aid under the urban renewal program. Essential community facilities should be provided in connection with such centers and tenant services made available to help meet the needs of migrant families. In addition to providing the needed shelter, such "home base housing" would have a salutary stabilizing effect on the lives of migrant farm workers and their children.

We urge that a campaign be started to let the American people know how desperate the need is. We urge that housing programs be assigned top priority status in national planning and that full funding of programs already authorized be immediately effected.

At the core of the nation's housing crisis are the inflationary interest rates exacted by money lenders. Housing has been the principal casualty of the stifling effect of the tight money policy on the economy. As a result the critical shortage of needed housing instead of being relieved, has become more acute.

In the face of these extraordinary pressures, adverse to housing progress and inimical to balanced growth of the whole economy, we call for special measures to shelter housing from the restrictive effects of high interest charges, and for a sub-

stantial reduction in the general level of interest rates. We also ask for a combination of programs designed to channel funds into low and moderate income housing.

Congress should authorize the Government National Mortgage Association to operate in tandem with the Federal National Mortgage Association and with other private investors to provide a steady flow of capital financing at reasonable interest rates for housing urgently needed by low and moderate income families. Instead of charging the discount to the consumer, any discounts that are necessary would be absorbed by GNMA as part of a sound public policy to assure the availability of housing financing at a reasonable price for those of low and moderate incomes who need housing.

We also recommend that the Federal Reserve Board, in addition to its present authority to make purchases in the open market, be authorized to purchase directly from GNMA, FNMA, and the Federal Home Loan Bank Board the obligations of these agencies. This would make it possible to channel funds directly into the mortgage market when needed during periods of monetary stringency and high interest rates.

We support the pending legislation authorizing the use of Veterans Administration funds for investment in VA guaranteed mortgages. In addition, we ask that Congress study the feasibility of earmarking a percentage of the Social Security Trust Fund for investment in mortgages to produce low and moderate income housing.

Union organizations are presently sponsoring more than 230 housing projects and in these projects there has been an increased use of the most modern technology. We commend these initiatives and the foresight of the Building and Construction Trades Department in 1968 in making possible an objective research study of prefabrication in the construction industry by the Battelle Memorial Institute. Innovative technological improvements will be welcomed by workers when they lead to lower housing costs, to expanding economic activity and expanding employment opportunities and when labor and safety standards are fully maintained. However, to have a meaningful effect on costs for low income housing, the introduction of new technology must take place in a large volume private market with full scale support by all levels of government in the assemblage of large projects, a continuing public housing program, and a continuity of mortgage money supply.

Other critical aspects of our national policy that relate to the housing and construction programs must receive immediate attention and implementation.

Among these areas of concern is the need for a national land policy. While the ratio of average site value to average housing

value was 12 percent in 1950, it rose above 20 percent in 1969. Inflation land cost is an important element in the high cost of housing.

It is our view that the magnitude of the problem calls for the formulation of a national land policy. The AFL-CIO recommends that such a land policy encompass all measures necessary to help assure availability of enough land, at reasonable cost, to achieve our housing goals. Foremost among such measures we recommend the establishment of an appropriate housing land "reserve" to meet the national housing goals. The land reserve program should utilize, among other sources, a write-down of land for low and moderate income housing both inside and outside urban renewal areas.

If people are to live where housing is available at prices they can afford, there must be urban mass transit. The present inadequacies of urban transportation systems in most of our cities place a special burden upon the city wage and salary earners, for whom getting to and from the job is an ordeal—and increasingly so with the increased relocation of industries in the suburbs. There is an acute need to modernize, expand and reorganize the urban transportation systems. To achieve this, adequate federal grants requiring increased authorizations are necessary.

The AFL-CIO was one of the first proponents of legislation to develop a large-scale program of building new communities located at a distance from the inner city.

The benefits from this program would be two-fold: First, an opportunity to develop well-planned and well-balanced communities that upgrade the quality of life for all who live there, while accommodating the expected increased population. Second, a means to make possible large-scale relocations from the obsolescent, blighted areas in the inner city, thereby permitting demolition of a substantial number of structures in the inner city that have outlived their usefulness and replace them with new housing, schools and other facilities needed in the inner city.

Above all, we insist that there be assurance of economic and social balance in the new communities, through the provision of an adequate supply of low- and moderate-income housing open to all as a condition to federal aid in any form.

The medical needs of the nation's families constitute a separate priority but the provision of group practice facilities relates to the housing and construction program. The national health care crisis has been caused by a progressive breakdown in the capability of the fee-for-service, solo practice, entrepreneurial health system to deliver health care where it is needed at locations convenient to the total population.

The AFL-CIO successfully fought for and won an extension of the mortgage insurance program of the National Housing Act so that out-patient facilities as well as hospitals and nursing homes are eligible to receive government guaranteed loans for up to 90 percent of the cost of such facilities. All affiliated unions and health, welfare and pension funds are urged to promote the development of prepaid group practice plans utilizing the HUD guaranteed loan program for financing the cost of new health facilities.

Related urban programs

A major component of the solution to the cities' problems is the need for employment. Many of those who live in the inner city have few skills, are poorly educated or have other handicaps which keep them out of the job market. It is essential, therefore, that the federal government make possible job training programs, coupled with essential educational and social services, to equip these disadvantaged workers with marketable skills. For those who cannot be absorbed into jobs by private industry, we urge the federal government to develop and finance a program of public service employment which would permit these workers to perform necessary and useful work. We urge that jobs in essential public services be made available to the unemployed and underemployed.

In the area of public welfare, the AFL-CIO proposes full federal financing and administration of the Nation's public welfare costs. Under such a program persons who are unemployed through no fault of their own and those who can't work should, with their families, on the basis of need, receive payments which would be sufficient to lift them out of poverty. For those who are unemployed and are able to work, training programs directed at existing jobs should be available with adequate financial allowances while training.

To help those who are poor, the AFL-CIO strongly recommends the continuation of the OEO anti-poverty effort. Although the OEO has never been adequately funded, it has helped thousands of workers become self-supporting citizens. Another approach to helping the working poor, proposed by the AFL-CIO, is to extend the coverage of the Fair Labor Standards Act and to raise the hourly minimum wage.

A program of environmental control must be undertaken to help the cities maintain pure water supplies, to rid them of polluted air, and stop the pollution of lakes and rivers. We must conserve and provide green spaces in and around the cities so that the residents may have play and recreational facilities easily accessible to them. In order to improve the quality of life

in the cities, the AFL-CIO calls for a step-up in the construction of public facilities such as schools, hospitals, day-care centers, play-grounds, libraries and cultural centers.

The children of the inner city should not continue to be penalized by the unequal educational gap between the privileged and under-privileged school children of our nation, by special incentives to teachers in slum areas, federal subsidy of more effective school type programs, full use of school buildings for job-training, adult education and community centers. In addition, vocational training must be realistically geared to the modern job market.

Economic planning—under federal leadership, and including each state and metropolitan area—should include the development, coordination and maintenance of an inventory of needs for housing, public facilities and services to provide the basis for adequate funding of planned programs to meet the needs of a rapidly growing urban population, while also providing a sound foundation for an expanding private economy.

AFL-CIO efforts

This national complex of social and economic problems cannot be solved by city or state governments in isolation. Neither can it be solved by private enterprise alone. Solutions to these problems require nationwide social and economic measures, with adequate federal funds and federal standards, with the cooperation of city and state governments, and equally important, the willingness of non-governmental institutions and of individuals to occupy themselves with the challenge of the urban crisis.

Accordingly, we in the AFL-CIO have taken steps to place the resources of unions, both financial and human, to work on the urgent problems of urban America. The following are some examples of the AFL-CIO's direct involvement in urban affairs:

1. We have created an Urban Affairs Department to coordinate the efforts of the federation in the fields of housing and urban renewal, manpower, poverty, mass transit, and related urban problems.

The Urban Affairs Department works with local AFL-CIO central bodies and national and international unions to stimulate effective participation of unions and their membership in the critical problems facing their communities.

2. The AFL-CIO Mortgage Investment Trust is vigorously enlisting the investment of general treasury and pension funds of AFL-CIO affiliates into a mortgage investment program designed to help provide adequate housing for America's low and moderate income families.

3. The Human Resources Development Institute was established to extend and expand the involvement of unions in manpower training programs directed at helping the disadvantaged worker.

4. The AFL-CIO and its affiliated unions have given crucial support to all the major legislative enactments designed to alleviate the problems of the cities.

5. The AFL-CIO has worked with the National Housing Conference for better housing and better urban living for all Americans. The NHC more than deserves the continued support of the AFL-CIO and its affiliated unions.

6. The AFL-CIO participated in the establishment of the Urban Coalition for creation of a broad-based alliance of Americans concerned with the crisis of the cities.

7. AFL-CIO unions have fought for fair housing both legislatively and in practice: the more than 230 housing projects providing housing for several hundred thousand families, sponsored by the AFL-CIO affiliates across the nation are, without exception, open to all Americans without regard to race, creed, color or national origin.

The crisis of the cities did not come without warning. It has been coming for a long time. The solutions will not come easily nor quickly. We have proposed a program of action.

Organized labor has a crucial role to play in the revitalization of our cities. We urge our national and international unions, their affiliated locals, district councils and state and local central bodies to participate with the AFL-CIO Department of Urban Affairs in its programs and to fulfill our historic mission in the continual improvement of the quality of American life for all citizens.

Urban Mass Transportation

WHEREAS, the development of an adequate system of balanced public transportation is essential to the continued life of our urban areas and basic to their social health and economic growth; and

WHEREAS, what is needed by all citizens is low fare, convenient and efficient public transportation alternatives to the automobile supported by general tax funds; and

WHEREAS, the Nixon administration has recently transmitted to the Congress proposals to provide long-term financing for expanded urban public transportation programs; therefore, be it

RESOLVED: 1. That the AFL-CIO urges the Congress to enact an expanded federal program of aid to urban mass transportation by amendment and extension of the Urban Mass Transportation Act of 1964, with a total authorization and funding of not less than \$1 billion a year over a 12-year period beginning with fiscal 1971:

2. That the Congress should firmly demonstrate its intention to fund an on-going program to the full level of authorizations, either through establishment of an appropriately financed mass transportation trust fund, or through adoption of a system of advance appropriations to assure future funding of essential projects;

3. That a fair and equitable method of cost-sharing among all those who benefit from the availability of public transportation should be used to finance this program. A system of earmarked user charges will not work because those most dependent on public transportation in our society are the poor and underprivileged who cannot afford to use the automobile for their essential transportation;

4. That any program of expanded federal aid to transportation must retain intact the pattern of financing, planning and substantive labor protection requirements presently in the Urban Mass Transportation Act;

5. That any accelerated program of capital investment in mass transit improvements and equipment, including advance acquisition of land and future rights-of-way, should be supplemented by a carefully drawn new program of operating supplements in aid of essential commuter and other transportation services, including those to and from job training centers, employment opportunities, health facilities, educational institutions, recreational and cultural facilities;

6. That the emphasis in our governmental highway programs in urban areas must be broadened to permit the use of such earmarked funds for additional land acquisition and construction of a highway and freeway network designed to serve rail and bus transportation as well as the private automobile, through reserved bus lanes and grade-separated transit rights of way, and the like;

7. That present programs, under which private transit systems are not excluded from the benefits of the present act and may receive federal funds under proper safeguards to insure public participation and control, should be retained;

8. That the Congress should make plain that the obligation to maintain labor standards includes the payment of prevailing wages to all workers engaged in the construction and operation of mass transit facilities in any program involving federal finan-

cial assistance. Such standards should also guarantee to rail and transit workers the first opportunity for employment on any new transportation system which is built with federal funds. In addition, we believe that the federal government should share in the costs of providing displacement allowances under employee arrangements approved by the Secretary of Labor.

Financing State and Local Governments

The nation's 50 states and 81,000 counties, municipalities, townships, school districts and special districts are fighting, frequently against overwhelming odds, to keep up with the changes in American life.

Last year, to meet large and growing demands for education, health care, public assistance, transportation and such other community functions as police and fire protection, waste disposal, sewage, pollution control and urban renewal, these government units spent \$102 billion—\$38 billion more than five years ago.

To meet these costs, state and local governments increased tax revenues by 40% between 1963 and 1968. Their debts grew by \$36 billion and the federal government more than doubled the flow of grant-in-aid funds—from \$8.6 billion in 1963 to \$10.6 billion in 1968. By the end of fiscal year 1970, federal grants-in-aid to states and local governments are expected to reach \$25 billion.

Despite great and growing needs for revenue, most states and localities have failed to adopt tax systems that are equitable and productive.

The AFL-CIO has long maintained that the first element to a fair and productive tax structure is that the tax be based on income—on ability to pay. Secondly, taxpayers in low- and middle-income ranges should pay lower rates than those in upper brackets. Third, the tax should take into account special circumstances such as family size, medical costs, and casualty losses, which affect ability-to-pay.

In addition to being fair, income taxes are productive revenue-generators—automatically growing with the expansion of sales, employment and income. In contrast, revenues from regressive taxes—those on sales and property—do not grow as rapidly as the expansion of the economy, resulting in inadequate revenue and pressures for further increases of tax rates on sales and property.

Sales taxes account for three-fifths of state tax revenues. Local governments rely upon property taxes for over four-fifths of their tax dollars. Of the \$68 billion in taxes collected by these

governments in 1968, less than \$10 billion came from income taxes. Moreover, even when state governments levy income taxes, they are seldom genuinely progressive taxes, based on ability-to-pay. Most local government income taxes are more properly called "wage taxes"—they are neither progressive nor do they reach the investment income of the wealthy.

The AFL-CIO believes that if the states and localities are to begin to close the gap between public-service needs and available resources, they must increase their reliance upon truly progressive income taxes based on ability-to-pay.

At the same time, efforts must be made to blunt the inequities of sales and property taxes. Items such as food and medicine should not be taxed; credits and rebates against the state income tax should be permitted to ease the burden of sales and property taxes on low- and moderate-income groups.

Even with fairer and more productive tax structures, many state and local governments would still be unable to provide an adequate level of public services. Financial aid must come from higher levels of government.

*Greater efforts should be made by the states to use their broader tax base in aiding metropolitan areas. In many areas, a major financial problem would be eased if, for example, the states took on a larger share of the costs of public education.

*The federal government's superior revenue-raising abilities should be increasingly utilized to aid the states and localities. The flow of categorical grants-in-aid for specific programs in the nation's interest such as education, manpower training, health and hospitals, metropolitan transportation, air- and water-pollution control, and urban renewal must increase. Moreover, the AFL-CIO's proposal for full federal financing and administration of the nation's public-welfare costs would help in the fight to eliminate poverty and at the same time alleviate a major source of pressure on many state and local budgets.

*The present federal income-tax treatment of state and local tax payments should be reviewed. Methods should be enacted which would improve the fairness in the distribution of the nation's total tax burden and spur the states toward the adoption of more equitable and productive tax structures, such as a federal income tax credit for state and local income tax payments.

Finally, the AFL-CIO believes that federal funds should not be shared with the states on a no-strings basis. The nation's best interests will not be served through block grants or other federal tax-sharing devices which are not tailored to specific program needs, developed in line with national goals and priorities, subject to Congressional scrutiny, and conducted under federal standards of performance.

Monetary Policy

America needs a monetary policy that can provide a sufficient supply of money and credit, at reasonable interest rates, to serve the requirements of the American people for full employment, economic growth and public facilities and services, while avoiding cycles of boom and bust. To achieve this goal, monetary policy must be linked with federal tax, expenditure and other national economic policies in a common effort.

This goal has been undermined in a trend of rising interest rates and frenzied competition among lending institutions, which have served the interests of the major banks and other lenders, at the expense of consumers, home-buyers, smaller businesses, farmers, state and local governments and the nation as a whole. Interest rates have been in an upward see-saw trend for nearly 20 years.

In the name of fighting inflation, interest rates were raised, in 1969, to the highest levels in 100 years and the supply of credit for housing and public facilities was squeezed almost dry. The prime interest rate for blue chip corporate borrowers was raised in June to 8½%—the fifth rise in six months, bringing this basic price of money 31% above a year before and 89% more than in early 1965. Other interest rates, which are scaled on the prime rate, also went up. Since interest rates are a factor in almost every conceivable consumer purchase, these soaring rates pushed up the prices of consumer goods, mortgages and rents, contributing to the rise in the cost of living.

Skyrocketing rates on mortgages and loans to home-builders—accompanying the squeeze on available credit for housing—brought a sharp drop in housing starts from a yearly rate of 1.8 million in January 1969 to 1.3 million in July and continuing down, with rising unemployment of workers in residential construction. While high interest rates and tight money hit home-building fastest and hardest, other industries were also being affected by the summer months.

However, booming business investment in new plants and machines—the only sector of inflationary-demand pressures in the entire national economy—continued up rapidly in 1969. The major corporations, which have fueled the investment boom, have large internal flows of cash, their own methods of raising capital and when they borrow funds, they pay the lowest interest rates on loans. By September, the monetary policy was affecting most parts of the economy, except booming business investment. The big corporations can be affected by high interest rates and tight money, as in the past, only after the economic activities and incomes of most parts of the economy are sufficiently stalled or depressed to curb the sales and incomes of the blue chip giants.

The cost of this policy to the American people is enormous. It has already brought increases in living costs and has locked many people into outrageously high-interest debt obligations, that will have to be paid for many years to come. It has depressed residential construction, at a time when a great expansion of home-building is needed. It is boosting unemployment and threatens the entire economy with recession.

Experience with similar policies during the past 20 years is sufficient proof of the dangers of blunderbuss monetary measures, based on high interest rates. Therefore be it

RESOLVED: The supply of money and credit and the rates of interest in the United States should be determined by the needs of the American economy for sustaining full employment and economic growth. When excessive demand pressures affect parts of the economy, the Federal Reserve and other government agencies should adopt measures to regulate and control those areas that are causing the problems, such as business investment in 1969.

The Congress should return to a policy of low interest rates as a matter of national policy.

The Federal Reserve should be required by Congress to roll back current interest rates, and interest rate ceilings should be lowered by law.

The Federal Reserve should use its authority to move interest rates downward and to maintain reasonably low interest rates, particularly on long-term loans which affect economic growth and employment.

Direct support to mortgage and housing needs should be provided by the federal government as part of the nation's monetary policy. The monetary needs of residential construction should be sheltered during periods of monetary restraint.

The Federal Reserve system should be required by Congress to act in harmony with the economic policies of Congress and the executive branch of the government.

Congress should revise the structure and organization of the entire Federal Reserve system and create an effective central banking system—including removal of all aspects of private ownership of the government's central banking system.

Membership on the governing and advisory committees of the entire Federal Reserve system, including the regional banks, should be opened up to representation from major groups in the economy—including consumers, organized labor and small business.

The increasing concentration of banking and its interlocking business connections is dangerous to the economy. Anti-trust laws should be applied effectively to banking operations and efforts should be made to force banks to be more competitive and less interlocked with non-bank business interests.

Rates of interest and the supply of money and credit should be determined by the needs of the American people—not by the interests of American bankers or decisions by foreign central banks.

Balance of Payments

America's balance of payments problems continue to concern United States policymakers and citizens. The twenty-five-year-old world monetary mechanism continues to show signs of periodic strain, despite recent attempts to strengthen it.

The American dollar has proved its value as a medium of international exchange. The adoption of Special Drawing Rights will be a helpful means of adding to world reserves. But the strength of the dollar depends on the strength of the U.S. economy at home—not the whim of foreign or U.S. bankers, the gold in Fort Knox, the desires of U.S.-based international companies to expand abroad or the ability of private investors to reap windfalls.

The AFL-CIO rejects the view that increased unemployment or depression of the American economy is an appropriate "trade-off" for an improved balance of payments. America's costs and prices in world markets are increasingly dependent on corporate pricing and investment policies at home or abroad. Restraint of U.S. wages or creation of increased unemployment will not help the U.S. dollar and will hurt the economy, both at home and abroad.

Many recent international actions have affected the course of U.S. balance of payments—such as the evaluation of the French franc and reports about changes in the value of the German mark. Rising interest rates in every industrial country means competitive attractions for speculators, but no sound underpinning for a world economy: interest rate competition among the major industrial nations is a threat to their economic security and to international economic relations.

Reports of an estimated \$15 billion deficit (annual rate) in the U.S. balance of payments in the second quarter of 1969, cannot be ignored. The continued failure of the administration to restrain private capital outflows, supervise foreign private investment actions, regulate and seek realistic remedies for the

U.S. trade balance will mean further difficulties for the United States at home and abroad. Therefore, be it

RESOLVED: The AFL-CIO calls upon the Administration to improve the methods of meeting balance of payments pressures, within the framework of an expanding, high-employment American economy.

Measures to depress the national economy in the name of balance of payments needs should be rejected. The economy at home should be the determining factor of U.S. policy.

Government mechanisms for effectively and directly supervising private capital outflows should be enacted by the Congress and controls should be effectively maintained for as long as necessary.

Taxes on tourism and control on travel should be among the last, not the first, steps of a free society in dealing with balance of payments deficits.

America should encourage the use of U.S. flagships in shipping and seek the end of freight rate structures that discriminate against U.S. shipping and exports. The government should also protect U.S. commerce from other types of foreign discrimination.

Tax subsidies to U.S. exports are not needed.

American collective bargaining and labor policies should not be undermined in government attempts to meet balance of payments problems.

Information on details that affect the balance of payments—product flows for exports, imports, and their relations to private foreign investment, must be made available. Clear reporting of actual balance of payments figures by the U.S. Government should be required.

Continued efforts toward a better international monetary mechanism is essential. The Special Drawing Rights mechanism is a first step. Additional flexible mechanisms should be explored and adopted to provide effective machinery for the world's expanding credit needs.

Modernization of the Federal Budget

The AFL-CIO for many years has called for meaningful reform of the federal budget—the most significant and far-reaching fiscal document in this nation.

Budget policies lie at the heart of financial and economic programming of the United States government. Fundamental reform of present methods of annually presenting the federal budget is indispensable if the President is to manage adequately government resources, and to formulate sound monetary, tax and public investment policies, both immediate and longer range.

The previous administration took several much-needed steps toward a modern budget presentation for the federal government, but failed to include a capital budget as part of these reforms.

The lack of a federal capital budget makes it difficult to plan and execute needed public sector programs, particularly those calculated to stimulate job-creation and to meet the needs of a rapidly growing population for expanded and improved public facilities.

A modern business-like budget for the federal government would establish one account for general housekeeping expenses of government and for national security. These are not investments in physical or financial assets and are not expected to yield a dollar return. The other budget account would be a capital expenditure account, which involves creation, improvement or acquisition of assets or acquisition of recoverable claims.

The capital budget is almost universally used by modern business corporations, by most western democracies, by at least one-third of the states, and by most of the larger American cities. Only the federal government lags behind. Therefore, be it

RESOLVED: We urge the President to include a capital budget as the next major step to modernize the annual federal budget presentation.

Federal Research and Development Programs

Federally financed expenditures for research and development have increased more than five-fold since 1955 and now have reached \$18 billion. The Department of Defense, the Atomic Energy Commission, the National Aeronautics and Space Agency and their contractors receive almost 85 percent of this total.

Sixty-three percent of these \$18 billion of federal research and development expenditures are received by private corporations and only 21 percent are spent on such activities, conducted by government agencies.

The potential for monopoly, waste and adverse effect of the geographical location of facilities is enormous. The impact on this nation's economic and social institutions, policies and pro-

grams can be profound. Much of the emphasis of government research and development is on weapons systems and space programs, but with inadequate resources devoted to on scientific and technological work on urban, environmental and social problems.

There is inadequate public knowledge about the vast federal research and development program, which is related to industrial technology, health and civilian products, as well as to military and space programs. Therefore, be it

RESOLVED: We urge the Congress to undertake a methodical, vigorous and thorough examination of the federal research and development effort.

We also support legislation which will establish a national policy dealing with the issuance of patents, created at federal expense. Title to such patents should be held by the United States and be placed in the public domain under royalty-free cross-licensing provisions. Such a policy is now lacking in the research and development programs of the Defense and Space programs.

We also endorse legislation which would prohibit requirements by private industry that employees waive their rights to inventions they may accomplish while employed, and we oppose any efforts to raise patent-filing fees above their present level.

United States Savings Bonds

For many years, United States Savings Bonds have offered wage and salary earners a unique method of saving money through regular payroll deductions. Of course, such deductions provide workers with a convenient way of participating in a systematic savings plan, with an investment that is easily convertible into cash, when needed. Moreover, such savings provide the federal government with badly needed funds for public investment and national defense.

However, the U.S. Savings Bond program has been in danger.

It is reported that some bankers, who view it as a competitor with their savings departments, have been seeking to kill it. There has been a campaign to eliminate this form of savings, which is of particular value to workers.

At the same time, the present discriminatory low interest rate on Savings Bonds, undermines the program's value. At a time of skyrocketing interest rates, a $4\frac{1}{4}\%$ interest rate has been maintained on U.S. Savings Bonds—a rate substantially below other current Treasury interest rates.

Moreover, some people have tried to use the obviously needed rise in the interest rate on U.S. Savings Bonds as a way of eliminating the last remaining low-interest statute of Congress—the $4\frac{1}{4}\%$ statutory ceiling on long-term government bonds—or lifting that ceiling.

The AFL-CIO, which has consistently supported the Savings Bond program, believes it must be salvaged, both because of its value as a savings device for workers and because of its value to the federal government. Therefore, be it

RESOLVED: We urge the Administration and the Congress to resist the drive to kill the bond campaign and to protect and revive the U.S. Savings Bond program, as a means of providing the government with needed funds and workers with a convenient systematic savings plan.

We urge the Congress to quickly adopt the pending bill before the House of Representatives, which would raise the interest rate on U.S. Savings Bonds to 5% by reducing the maturity of these bonds and without either lifting or eliminating the statutory ceiling on long-term government securities.

We pledge to continue to vigorously promote purchases of such bonds and work for the adoption of payroll deduction plans in every place of employment, if we can assure workers that their patriotic purchase of these bonds will assure them a fair return on their investment.

Manpower Policy

The development of a federal manpower policy has been evolving since the passage of the Manpower Development and Training Act of 1962 and the Economic Opportunity Act of 1964. Under these acts, as well as other legislation, the federal government has initiated a number of programs designed to help the poor, the young, the hard-core unemployed and members of minority groups, to improve their employability and career prospects. Expenditures for federally-supported manpower programs have risen from \$245 million in 1961 to \$2.2 billion in 1968. The number of people serviced by manpower programs has risen from a negligible number in 1961 to perhaps one million in 1968. And yet this has not met the nation's needs.

There is an immediate need for a comprehensive national manpower policy that would consolidate the multiple and varied federally-supported manpower programs under a centrally-directed administration. In the past 8 years, programs have grown up helter-skelter. New agencies—public, private and quasi-public

—have come into being with conflicting and overlapping jurisdictions among themselves as well as with existing agencies.

As part of this consolidation, it is important that the U.S. Employment Service be federalized. As currently constituted, it is 50 different state systems and, as such, handicaps the development of an effective national manpower policy. Its activities are patterned on state and local boundary lines and do not offer the fullest possible service to the worker.

Programs have been funded at inadequate levels. In too many instances, manpower activities have been viewed as a substitute for welfare programs with the result that neither need—manpower nor welfare—has been adequately met. At the same time, training allowances, for trainees entitled to such allowances, have been inadequate.

Too much emphasis of these federal training programs has been directed towards placing workers in entry-level, low-wage jobs which require little or no formal training. In too many instances, manpower activities have been viewed as a substitute for welfare programs, with the result that neither manpower nor welfare needs are adequately met. The main thrust of training must be directed toward helping individuals develop their maximum potential skills for employment opportunities in the job market—to upgrade the skills of the work-force.

A major difficulty arises because there are not enough jobs for the nation's hard-core unemployed and under-employed. If there were full employment, the employers would—as many are doing, today—hire untrained workers for entry-level jobs and other jobs, as well, and train them without government financial assistance. The entire thrust of the various training efforts, under such conditions, would make for a much more meaningful manpower program.

While one million people per year are helped by current manpower programs, this is but a fraction of those who require help. An expansion of existing programs, through the creation of additional training opportunities in private industry is clearly indicated, but it has been demonstrated that the private sector has not met the job and training needs of all of the disadvantaged.

A comprehensive manpower policy must include, as one of its basic elements, a federally subsidized, large-scale public-service employment and training program—to create jobs for the hard-core unemployed and seriously under-employed. There are job and training opportunities to provide badly needed services in hospitals, schools, fire and police departments, recreational and sanitation facilities and other federal, state, local government and private, non-profit facilities.

The Nixon Administration has recognized some of the problems and the need for a comprehensive approach. However, it does not recommend a federally financed public-service job-creation program. Moreover, the Administration proposes a system of block grants to the states, which would rest responsibility for development and administration of manpower programs in the hands of the states, with provision for a small share to be allocated to metropolitan areas. But the problems of employment and unemployment cut across state lines and do not lend themselves to individual state solutions.

Moreover, the Nixon proposal would use the state employment agencies, as the basic operating agency for all manpower activities. The past record of many of these state agencies hardly suggests that they would be an effective instrument, as currently constituted, to press for job placement or job advancement for the poor or members of minority groups. Therefore, be it

RESOLVED: 1. All manpower programs should be consolidated into a comprehensive, coordinated administration under the Department of Labor to eliminate overlapping and conflicting interests.

2. The employment service should be federalized, because only then can it adequately function as an agency to meet the needs of workers and employers on a national basis.

Until federalization is accomplished, we urge the following steps be taken immediately: (a) assure that the public employment service will pattern its operations according to economic boundaries and not be hemmed in by community and state boundaries: (b) induce the states to increase the salaries of employment service personnel: (c) require all government contractors, although free to hire from any source, to list all their job vacancies with the public employment service, providing, however, where jobs are made available to workers seeking employment through union hiring halls or other union-management arrangements, such arrangements shall be acceptable in lieu of listing with the public employment service: (d) increase federal financing, including appropriations from general revenues: and (e) strengthen the ability of the United States Employment Service to set and enforce higher standards of performance by state employment services.

3. A large-scale federally subsidized public-service employment program in the public sector should be enacted, so that the government can be the employer of last resort for the hundreds of thousands of hard-core unemployed and seriously under-employed.

4. Federal relocation allowances must be developed to assist unemployed workers who wish to move to areas of job opportunities.

5. Public funds should not be used to reimburse employers for costs which previously had been considered a normal operating expense. There is a very real need to strengthen a wide variety of supportive services in order to move the severely disadvantaged into the job market successfully. In order to accomplish these twin objectives, reimbursement to employers should be made only for what might be regarded as unusual expenses connected with hiring the disadvantaged, and only in cases where the worker is certified by a public agency in accordance with criteria developed by the Manpower Administrator—as requiring such services to be employable.

6. Federal programs to provide training for low-wage, entry-level jobs, as well as jobs with a high rate of labor turnover, or jobs for which workers have not historically been required to possess any skill at the time of hire, should be sharply curtailed. The prohibition on government training programs which in any way help employers to shift locations should be rigorously enforced.

7. The Manpower Administration should continue to develop regional manpower advisory committees and should utilize the Cooperative Area Manpower Planning System to the fullest extent. Advisory committees should be representative of all major interested groups, including organized labor.

8. The Congress should immediately enact legislation proposed by Representative James G. O'Hara. H.R. 11620, which recognizes the urgent needs of America's disadvantaged and minority groups and most nearly meets the standards for an effective and comprehensive national manpower policy.

The Human Resources Development Institute

The federal government, over the past several years, has substantially expanded its manpower activities. These programs are directed at the disadvantaged, the hard-to-employ, the unemployed and the under-employed. They are intended to train and in other ways prepare these workers for regular employment in the competitive job market.

Organized labor has supported the federal government's efforts in the manpower field and through its own channels has developed training and placement programs designed to help the disadvantaged prepare for and be placed in good jobs at decent wages.

Recognizing the need for developing even greater program participation among labor unions at the community level, the

AFL-CIO Executive Council created the Human Resources Development Institute (HRDI). The objectives of the HRDI are basically the following:

1. To mobilize and use the sources of skilled talent and experience within the labor movement to plan, develop and operate manpower programs for disadvantaged unemployed and for youth, with emphasis on developing necessary support services to obtain and maintain good jobs at decent pay for such workers.

2. To develop programs through the labor movement which are specifically designed to reach into the minority community in order to provide the necessary assistance and training to prepare minority groups and other disadvantaged youth to enter apprenticeship and other desirable skill training.

3. To establish special programs to be operated jointly by the labor movement, employers, and employer organizations, in cooperation with minority groups, to place in part-time, up-grading training programs, disadvantaged under-employed workers who have some skill and experience for higher-skilled occupations.

4. To develop union participation in overcoming problems arising in the course of the JOBS (Job Opportunities in the Business Sector) Program.

5. To work with Model Cities Administrations in the development of programs to train target area residents, in cooperation with the local trade unions, employer organizations, minority groups, and government agencies in neighborhood rehabilitation and new construction programs.

6. To bring about, within the labor movement—through its officers, members, and their employers—an awareness and understanding of the problems of the hard-core unemployed and disadvantaged youth in order to provide meaningful job opportunities with career progression.

The HRDI, with assistance from the U.S. Department of Labor, has established offices in fifty major cities and is effectively carrying forward the goals outlined above.

In the brief span of ten months, the HRDI staff has become deeply involved in various manpower programs activities. Local HRDI staff have cooperated in the Summer Youth Employment Program, they have given substantial support to Apprenticeship Outreach programs, they participate on Model Cities Manpower Committees, they have developed new on-the-job training programs with local unions as sponsors, they have trained "Bud-dies" to assist those newly hired under the NAB/JOBS program to adjust to the job, they have developed Model Cities agreements related to the use of local manpower in the construction and rehabilitation phase of the Model Cities program. All activi-

ties carried forward by Local HRDI staff are closely related to AFL-CIO local, central bodies. Therefore, be it.

RESOLVED: 1. This Convention commends the action of the AFL-CIO Executive Council in establishing the HRDI.

2. We direct HRDI to continue to develop and if possible, expand its present program so that more communities and their disadvantaged unemployed can be helped through the channels provided by HRDI to utilize the available manpower services and resources provided by the federal government.

3. We urge HRDI to continue to push for maximum involvement of unions and union members in manpower programs, and to use the knowledge and experience of the labor movement to develop new and innovative programs for the training and placement of the hard-core unemployed, as well as for programs to upgrade those who are currently employed at entry-level jobs.

Women Workers

Nearly 31 million working women play an important part in the nation's labor force. Organized labor, with about 4 million women in its ranks, has traditionally sought to protect and promote the interests of women workers, to eliminate discrimination on the job and to be responsive to the special needs of women workers carrying the double responsibilities of job and home.

The labor movement has historically promoted the interests of women through trade union objectives of raising wages, shortening working hours, promoting job security, and improving the conditions of work. Particular needs and aspirations of women workers have been recognized in efforts to eliminate job discrimination, to obtain full enforcement of equal pay for equal work and to secure enlightened public policy in the fields of labor standards legislation, education and training, social benefit programs and taxation.

A continuing major concern of working mothers is the need for expanded provision of day-care facilities and more adequate federal income tax deductions for women who must pay for child-care services at their own expense in order to work.

Heightened emphasis on equal employment opportunity for women under Title VII of the Civil Rights Act has placed special strains on the long-standing state protective labor laws for women. These laws have traditionally had the support of organized labor and of women's groups concerned to prevent the exploitation of female workers, concentrated in low paying jobs and in unorganized industries.

The Equal Employment Opportunity Commission has recently issued an opinion that state laws which "prohibit or limit" the employment of women are in conflict with Title VII. Such laws include, but are not limited to such protective legislation as occupational prohibitions, maximum hours, night work, and weight-lifting.

We regard the EEOC position as too sweeping, in that it applies to reasonable limits as well as unreasonable ones, fails to recognize the interests of women who rely upon such laws as a protection against employers, and ignores the needs of those women workers for whom alternative forms of protection either by public law or union contract are not available. Until adequate protection for all workers can be secured under general legislation, reasonable legal safeguards should be available for those women who are most in need of them. Therefore, be it

RESOLVED: Trade unions should expand their efforts to organize the unorganized among women workers, to design programs that reflect the interests of women workers, and to encourage more women to participate fully in union activities and policy-making, as many outstanding women are now doing.

All possible steps should be taken to expand the availability of day-care centers. Federal law should be amended to permit employer contributions to trust funds established under collective bargaining for day-care centers. States should be encouraged to take advantage of federal funds now available to them under the Social Security Act. Federal funds should be appropriated so that public or non-profit agencies, including trade unions, can be enabled to operate day-care centers.

We urge liberalized tax deductions for child care-expenses of women workers, under federal income tax provisions.

We support equal pay and equal employment opportunities for women, adequate maternity leave and benefit plans, and expanded educational and training programs in which women can upgrade their job qualifications.

We call upon the Equal Employment Opportunity Commission, as well as the courts and legislatures, to seek reconciliation of conflicts between Title VII and women's state labor laws, without abandonment of necessary safeguards. We urge appropriate extensions of the benefits of women's labor legislation to men and the enactment of improved federal wage-hour legislation for both sexes.

We continue our opposition to the long-pending Equal Rights Amendment to the Constitution because of its potentially destructive impact on women's labor legislation.

Natural Resources

For more than a decade, the AFL-CIO has called attention to the increasing seriousness of America's natural resources situation. While some progress has been made and legislation enacted, problems of both supply and quality continue to outstrip the measures and resources applied to deal with them.

We want our natural resources developed, managed and conserved for the long-range good of all Americans. Once again we call for a comprehensive natural resources policy, integrated with a full-employment economic policy and the goal of preserving the quality of the physical environment.

We believe that the federal government, acting in response to the urgings of its citizens must provide the necessary plans, organization and a large part of the capital in the natural resources field.

We believe that waste and duplication among federal agencies must be eliminated. Regional comprehensive planning and development agencies, based on the TVA concept, must be created to bring the federal government, state and local governments into cooperative efforts and to work closely with the people of the regions; Therefore, be it Resolved:

Water Development

We urge orderly planning and multi-purpose development of water resources by means of regional programs. Such plans must consider control and storage of both the surface and the underground resources, re-evaluation of the priority of water uses, and evaluation of the benefits of exchanging water between river basins.

We strongly oppose the President's order to cut scheduled new starts on water development projects.

We support the necessary research and development efforts to conserve the marine environment, in connection with the rapid movement toward development and use of the vast resources of the oceans.

The Land Resource

Planning for urban land use must provide needed space for parks, low- and middle-income housing, schools, hospitals, recreation and other public facilities. Inter-governmental institutions must be developed to achieve the best use of urban space in metropolitan areas. An effective land policy must be developed to curb ruinous land speculation and curtail the escalating price of land.

The AFL-CIO continues to support comprehensive and strengthened soil conservation and reclamation programs, particularly in strip mining, farm and suburban areas.

We support programs to provide future Americans with the forest products they will require, and to enable them to use national, state and private forest land for public recreational enjoyment, soil and water conservation and protection of wildlife. Such programs include more intensive sustained yield forest management, and increased production by smaller private holders the control 60% of U.S. commercial forest land.

We urge adequate appropriations and long-range planning by federal, state and local governments to acquire land for recreation, particularly in and around urban areas, and to take steps to prevent speculation. We also urge expansion of the federal national park system.

The Federal Public Domain

The resource deterioration of the 180 million acres of residual public domain land in the western states and the threats to the 270 million acres in Alaska are the result of outdated laws.

This situation calls for modern legislation and programs to provide stable, productive tenure and management in the natural interest of these valuable lands which belong to all Americans. The report and recommendations of the Congressionally-created Public Lands Law Review, due in 1979, should provide the basis for informed public debate on the proper measures to be taken.

Alaska

Alaska is now faced with a problem of giant magnitude as a result of the immense oil discoveries on the Arctic North Slope, in an area of the world's most magnificent wilderness. What is needed is a national program, with strict environmental controls, enabling the state to grow economically, without utterly destroying the natural environment. Economic development, conservation and justice for Alaska's Eskimos and Indians must proceed hand-in-hand, in setting the native claims now before the Congress of the United States. Such settlement should embrace freedom of choice for the natives as to their assimilation, ample cash payments, subsistence rights, and protection against alienation of their equity.

Electric Power

The AFL-CIO, since 1959, has urged legislation which would assure the nation of a low-cost, reliable built power supply, under strict regulation in the public and consumer interest. The need for such legislation is no better shown than by a succession of

major and minor power blackouts since 1965, and the critical lack of reserves faced by electric utilities this summer. We therefore endorse, once again, the general goals of the proposed Electric Power Reliability Act, now awaiting action by the Congress and urge that it be strengthened to achieve the goal of lower consumers' power bills.

Federal Power Commission regulatory controls over interstate wholesale power transactions must be expanded. Federal and non-federal public power yardsticks are indispensable to reasonable electric rates.

We urge that our state and local bodies work with other consumer groups and with state legislatures to modernize and strengthen state utility regulatory commissions in order to achieve fair and equitable rates to utility consumer.

We support legislation establishing a federal Utilities Consumer Counsel, in order that the rights and equities of rate payers may be adequately represented before federal and state utilities regulatory commissions.

We urge legislation among the various states enabling all utility workers, regardless of the type of utility ownership, to achieve the same kind of bargaining rights accorded to industrial workers in general. We also urge that the federal government, in new or amended wholesale power contracts with utilities, provide language protecting the rights of workers to bargain collectively with management through unions of their choice.

Shale Oil

We continue to endorse a long-range oil shale development policy which will establish an orderly multiple-use program on federal oil shale lands to develop economically competitive and feasible methods of processing oil shale and other intermixed minerals, to foster the development of a competitive oil shale industry, to protect the environment affected by such programs, to help provide abundant supplies of low-cost petroleum products to the American consumer, to safeguard leasing arrangements against monopoly and to use revenues from any leasing program to assist in financing federal public sector programs.

Protections Against Monopoly in Natural Resources

We call for preservation and strengthening of historical federal safeguards against monopoly in the natural resources field, including priority in the sale of federally generated wholesale power to public groups, the protections found in the Federal Power, Natural Gas, and Public Utilities Holding Company

Acts, and the excess acreage provisions of federal reclamation laws.

We urge the Congress to investigate the decline in competition and increasing control by a few giant integrated corporations of major energy sources, in particular, oil, oil shale and uranium.

Minerals

We continue to support an integrated national minerals, raw materials and energy policy which would be stimulated by a needed updating of the President's Materials Policy Commission Report of 1952.

Atomic Energy

We are vitally concerned with the development of atomic energy, as workers and as American citizens. With its vast potential, atomic energy is one of the keys to the great expansion of energy resources that is needed to lift the living standards of a growing population. However, the development and spread of atomic operations also contains exposure hazards, which require protective safeguards.

The future of nuclear power is at the crossroads. Construction costs and generating costs, are exceeding estimates. The coal industry is attacking further federal subsidies. The present generation of water reactors place excessive demands on a limited uranium resource. Finding proper sites for huge nuclear-fueled power reactors is complicated by serious problems of land use, water supply, thermal pollution, disposal of radioactive wastes. Therefore, be it

RESOLVED: Such issues as cost, uranium supply and pollution can only be resolved by balancing the nation's expanding future needs for electric power with development of nuclear reactors which will conserve a limited uranium resource and be so located, designed and operated to prevent pollution of the environment.

We urge that the Atomic Energy Commission be authorized to expand its program to develop breeder reactors and to determine the feasibility of obtaining sustained energy from the fusion of the heavy hydrogen atom. The success of such programs will also bring closer the realization of feasible de-salinization of water by nuclear power.

We oppose any legislation transferring control of the AEC's Plowshare Program of low-yield underground explosions for peaceful uses to private industry, until and unless the major

problems of environmental effects, social and economic implications have been more adequately assessed.

We oppose the sale to private industry of AEC's gaseous diffusion plants in Tennessee, Kentucky and Ohio, which are now operated under contract with the Commission. These plants, which cost \$2.3 billion to get into operation, enrich natural uranium for production of weapons, reactor fuels and isotopes used by industry, agriculture, medicine and research. The sale of these plants to private industry, probably at a fraction of their present value, could result in higher power costs to consumers, lessen competition in the nuclear field, and be inimical to our national security.

We endorse legislation which would establish guidelines governing the issuance of licenses to construct and operate nuclear power plants—to enable all utilities to participate in such development, to safeguard worker and public health and safety, to protect the air, land and water from discharge of heat and radioactive wastes and to meet the needs of power-short areas of the country.

We endorse continuation of the Labor-Management Advisory Committee to the Atomic Energy Commission as a means of bringing problems of mutual concern to the attention of the Commission.

Occupational Safety and Health

The AFL-CIO continues to call attention to the urgent need for the protection of American workers from job-related deaths, injuries and illnesses as a matter of national responsibility.

Available information indicates that 1969 was still another year of increases in occupational deaths and injuries—14,300 deaths, 2.2 million permanent and temporary injuries. If there were adequate national reporting of occupational deaths, illnesses and injuries, the present picture, shocking though it is, probably would be twice as bad as it now appears. However no one clearly knows the implications to human health, as industrial technology adds to the list of known toxic chemicals and materials, threatening workers each day on the job.

For many years, the AFL-CIO has urged adoption of federal occupational health and safety legislation—designed to mobilize the resources of the federal and state governments, labor management and the medical and health professions to mount a coordinated attack, backed by the necessary money and manpower resources, to eliminate or control the hazards of the work place.

For the first time in the history of the Republic, such legislation was proposed last year by the previous administration. These were killed by some business groups, through the use of vicious and misleading propaganda. In the 91st Congress, stronger bills have been introduced in both the House and Senate. The Nixon Administration has also submitted a special presidential message and a proposed bill, which is pending in both houses of the Congress. Therefore, be it

RESOLVED: Organized labor strongly urges the Congress to adopt legislation to:

1. Empower the Secretary of Labor to promulgate, develop and enforce standards governing occupational safety and health. In so doing, he should use, wherever desirable, the total resources of the private standards-producing community, but also be empowered to use existing and develop new federal standards.

2. Provide a stronger role for the Department of Health, Education and Welfare, not only to develop criteria, but also occupational health standards, aided by creation of a statutory Occupational Health Center.

3. Provide for strong federal inspection, enforcement and penalty provisions, but with hearings procedures and court review for aggrieved persons affected by their application.

4. Provide effective federal guidelines for proposed state occupational safety and health plans as a condition for federal planning and operational grants-in-aid. The Secretary of HEW should be given authority to evaluate such proposed state plans dealing with occupational health and carry out federal auditing of such programs, including the power to withdraw approval, if they fail to adhere to federal criteria.

5. Provide coverage of all workers, non-agricultural and agricultural, as well as employees of the federal and state governments.

6. Provide for creation of permanent coordinating machinery whereby the Secretary of Labor and HEW would work closely together and fully utilize their joint resources to carry out their responsibilities with a minimum of duplication, and to coordinate the other occupational safety and health responsibilities reposing elsewhere within the federal government.

With regard to the proposed legislation now pending before the Congress, the bills introduced by Rep. James O'Hara and Senator Harrison Williams constitute a sound program requiring a minimum of strengthening amendments. We therefore endorse the O'Hara-Williams bills and urge enactment by the 91st Congress. Such a program, adequately funded and staffed, will constitute the first decisive step toward the ultimate achievement of a safe and healthy place of employment for every American working man and woman.

The Secretary of HEW should participate in the designation of membership of a National Advisory Committee on Occupational Safety and Health. Such a committee should include representation of organized labor.

We call for a coordinated, intensive AFL-CIO education program, to reach all union members and the general public as well, on job-related health and safety hazards. This program should include support for scientific research applicable to the most serious health and safety hazards faced by our workers.

We urge the President to call a White House Conference on Occupational Safety and Health, with adequate participation by international unions affiliated with the AFL-CIO.

Air and Water Pollution

Americans are entering the 1970s with the widening recognition that our industrial and technical accomplishments carry with them a terrible price—the deterioration of our physical environment.

The silent threat of air pollution is the greatest danger. It darkens our skies, burns our eyes, blackens our lungs, corrodes metal, kills trees and crops, dirties our homes, lowers visibility. Each year 142 million tons of chemicals and particles are belched into the air by automobiles, home heating, industry and burning of solid wastes.

The streams, rivers, lakes and estuaries of our nation are all polluted, in varying degrees, from municipal and industrial wastes, pesticides, fertilizers, heat from power generation and radioactive wastes. Lake Erie is rapidly dying: the other Great Lakes are threatened with the same fate. Water supply in the great metropolitan areas of the nation is threatened. More than 2,600 communities still discharge raw sewage into our waters. Hundreds of towns and cities supply domestic water below U.S. Public Health Service sanitary standards.

Even though the Clean Water Restoration Act of 1966 and the Air Quality Act of 1967 provided the beginnings of a national attack on these twin dangers, we are continuing to lose the battle against air and water pollution and the turning point is not in sight.

One of the major problems is the huge investment costs of the physical facilities and devices required to treat water wastes and control air pollution. Without strong standards firmly enforced, however, money alone will not change matters for the better.

The limits of the American people's tolerance for foot-dragging by government and private industry are being reached. The future well-being of the people of this nation depends on how well this challenge to our environment is met in the 1970s. Therefore, bet it

RESOLVED:

A. Creation of an Over-all Environmental Policy.

The AFL-CIO has actively and vigorously supported programs to upgrade our environment—wilderness, national parks, air and water pollution and solid wastes.

We endorse proposed legislation to create a Committee of Environmental Advisers to recommend means of achieving a sound and sane balance between resource utilization and misuse that would produce adverse environmental effects. The President's recently created cabinet-level Environmental Quality Council is no adequate substitute for a statutory program, administered by a specific government agency directed to carry out Congressional policies. We recommend consideration be given to the establishment of a Joint Congressional Committee on the Environment to focus on the entire issue.

B. Control of Water Pollution.

1. We urge the Congress to restore the full \$1 billion authorized for federal grants-in-aid to localities during fiscal year 1970 for sewage treatment plants. The Administration has requested only \$214 million for this purpose, in the face of pending requests from the nation's communities for such grants totaling \$5.1 billion.

We also urge Congress to amend the Clean Water Restoration Act to increase the federal commitment in grants-in-aid to communities beginning with fiscal year 1971.

2. We support amendments to the Clean Water Restoration Act of 1966 which would empower the Secretary of the Interior to impose stronger rules over the location and type of municipal sewage treatment plants, to intervene on serious pollution situations, without waiting for the state to make the first move.

3. We support the Oil Pollution Act in the form that it was reported by the Senate Public Works Committee. This legislation requires certification by anyone applying for a federal license or permit to build installations affecting water quality, and stronger provisions requiring federal agencies to comply with state or federal water quality standards.

4. We urge the Secretary of the Interior to act in the case of the thirty states which have failed to adopt water quality standards that would halt further deterioration. The federal government, under the Act, should step in and set the standards.

5. We oppose levying of effluent taxes on industrial wastes. This merely constitutes a license to pollute.

C. Air Pollution

1. We once again urge the Congress to adopt amendments to the 1967 Clean Air Act directing the Secretary of HEW to set national emission standards on all forms of air pollutants without delay.

2. In 1969, a half dozen states have blocked out effective citizen participation in air quality standards by inadequate notice, last minute changes in the standards, and obscure language. We urge the Commission of HEW's National Air Pollution Control Administration to issue rules which will require each state to provide adequate public notice, in understandable terms, before conducting hearings on proposed air quality standards.

3. Federal enforcement procedures need strengthening by amending the Clean Air Act of 1967 to reduce the time limits for compliance.

4. The greatest single contributor to air pollution is the automobile—producing 86 million tons of pollutants or 60 percent of the nation's total annual air pollution. Despite pollution controls required on new vehicles, the continuing increase in their number will increase air pollution in the next decade.

We therefore urge amendment of the Clean Air Act of 1967 to direct the federal government to limit its purchase of automobiles to models with low emission of pollutants, and to direct the Department of HEW to undertake an expanded research and development program, in cooperation with other federal agencies, to produce pollution-free alternatives to internal combustion-fueled vehicles.

5. We commend the increasing action by AFL-CIO affiliates in effectively participating in local and regional efforts to establish strong air pollution control progress and urge the expansion of such participation.

Auto Air Pollution

The internal combustion powered motor vehicle is the nation's greatest threat to its precious and irreplaceable air resource. One hundred and ten million cars, trucks and buses emit about 50 percent of the total volume of pollutants released into the atmosphere each year. This pollution is linked to such diseases as cancer and emphysema and causes \$13 billion worth of property damage each year.

While every American city is faced, to some degree, with air pollution, in Southern California automotive vehicles contribute 86 percent of the total pollution belched into the air. In a single year, doctors advised 10,000 people to leave Los Angeles because of the harmful effects of air pollution.

The direct causal relationship between high levels of pollutants emitted by motor vehicles and illnesses and even deaths, has been definitely established.

For many years, efforts by state governments and the federal government to control air pollution have met with a wall of opposition thrown up by the major automobile manufacturers.

For 16 years, the giants of the auto industry and their trade association have conspired to delay and obstruct the development and installation of pollution control devices on motor vehicles.

In 1966, a federal grand jury in Los Angeles uncovered the criminally conspiratorial nature of this opposition. The Johnson Administration filed an anti-trust suit against the auto industry's "big four"—General Motors, Ford, Chrysler and American Motor Company—charging them with specific acts of conspiracy as far back as 1953 and in 1961, 1962-63 and 1964.

But this year, the Nixon Administration, after secret negotiations, agreed to a consent decree—an out-of-court settlement in which the manufacturers would escape punishment for all past and present actions, but would promise not to conspire in the future.

It is an anomaly that this Administration urges stern measures against individual law breakers and allows corporate crime to go unpunished.

The public statements by Attorney General Mitchell, and other administration spokesmen, amount to nothing more than a cover-up of favored treatment being given to the auto industry.

The Administration is not trust busting; it is window dressing with the consent decree.

However, the decree must be accepted by the Federal District Court in Los Angeles before it becomes final. Judge Jesse E. Curtis has invited the views of all interested persons and public bodies before he approves or disapproves of the consent decree.

Other groups already are making their views known in this case, which may become a legal watershed toward a mutual goal of promoting effective consumer protection for all Americans. Many members of Congress, the County of Los Angeles, the County of San Bernadino, the California Attorney General, and

the City of New York are all seeking an open trial in the cause of the public interest and justice.

If the decree is accepted, the federal grand jury's records would be sealed forever, because of a section of the Clayton Anti-trust Act which provides that consent decrees deprive parties injured by illegal conduct from statutory remedy.

The consent decree, therefore, would make it impossible for individuals or municipalities to bring damage suits against the auto makers.

The Administration's handling of this case of the auto industry's conspiracy against air pollution control stands in marked contrast to the electrical equipment manufacturers price-fixing case a few years ago. Then the gaints were brought to the bar of justice and found in violation of the anti-trust laws. Corporate officials were fined and given jail sentences. Those who had been cheated and victimized were able to file damage suits and hundreds of millions of dollars were collected from the companies.

Surely enough is known about the effects of automotive air pollution to have given the Administration pause in allowing the United States to enter into a consent decree. This is particularly true in this case, where the proposed decree would prevent the public and even the Congress from access to the evidence, which should be aired in a court of law and provide the basis for remedial action, including legislation.

The stakes in the air pollution conspiracy and the Administration consent decree involve tax expenditures for air pollution control programs, property damage, the health and, in some cases, the very lives of thousands of Americans. Therefore, be it

RESOLVED: 1. The AFL-CIO reaffirms its long standing belief that a precious ingredient of our Constitution is that it extends justice to the great and small alike.

2. The AFL-CIO condemns the Attorney General and the Administration for their failure to deal effectively with a demonstrated conspiracy by the major car makers to suppress competition in the field of automotive anti-pollution devices, which raises a serious question as to the sincerity of their many statements supporting "law and order."

3. The AFL-CIO urges the Attorney General to withdraw from the proposed consent decree and seek a criminal indictment against the major automobile manufacturers and their trade association, so that sealed evidence will not become a barrier to remedial action, legislation and justice.

4. Since the federal district court has set a deadline of October 3 for submitting views on the issue, the Eighth AFL-CIO Constitutional Convention in adopting this resolution, directs that

it be transmitted forthwith to the Clerk of the Court, Central District of California, U.S. District Court, Los Angeles, California so that the official policy of the American Federation of Labor and Congress of Industrial Organizations may be considered by the Court.

Minimum Wage

The major purpose of the Fair Labor Standards Act, as outlined in its Declaration of Policy, is to correct and as rapidly as practicable to eliminate labor conditions "detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers."

To fulfill the intent of FLSA, it has been necessary to increase the floor under wages as the cost of living, "necessary for health, efficiency and general well-being of workers," has increased over time since the Act was first adopted. An increase in the federal minimum wage to \$2 an hour is needed immediately.

In addition, the Fair Labor Standards Act, still excludes over 13 million working men and women from its protection. Many of these workers are among the poorest-paid and most exploited in our society. The law's coverage must be extended to these workers to guarantee them protection from poverty wages.

Over half of the poor, according to the government's definition of poverty, are in families headed by a worker in the labor force—low-wage, unemployed or part-time workers. About one-third of the poor are in families, headed by a full-time, year-round worker, whose wages are so low that his family is impoverished.

In addition to the basic requirement of full employment, the working poor urgently need revision of the Fair Labor Standards Act. They need the protection of this law and an improved minimum wage that will increase the earnings they receive for their working efforts.

The responsibility of providing a "living wage" to workers lies not with the taxpayers, but with the employers who benefit from the work of their employees. The "working poor" are not looking for handouts. Rather, they seek a wage which provides at least a minimum level of living.

The inadequacy of the present \$1.60 an hour minimum wage is clear, in the face of present living costs.

A recent Department of Labor report shows that it costs \$6,000 a year to maintain an urban family of four at a lower than "modest but adequate" standard of living. While a \$2.00 an hour

minimum wage will not reach that level even for a full-time year-round worker, it would update the outmoded \$1.60 minimum and bring such worker somewhat above the government-defined poverty line.

There are two bills before the Congress H.R. 10948 introduced by Representative Dent of Pennsylvania and S.2070 introduced by Senator Williams of New Jersey—which would raise the minimum to \$2.00 an hour and extend coverage to most workers still denied FLSA protection.

However, while Congress is considering this minimum-wage improvement, some Administration officials are advancing the motion of a sub-minimum wage for youth, which would undercut the wages of adult workers and set a lower rate of pay for the same work—based not upon the job and work performed, but upon the age of the worker.

In the case of Puerto Rico, Virgin Islands and American Samoa, for which special minimum wage determination provisions have been written into the Act, we believe the best interests of all workers would be served by narrowing the gap between the wage standards for these islands and mainland minimum wages as rapidly as possible.

The unchecked rise in living costs may soon make even a \$2.00 minimum obsolete. Continuation of the rise in the cost-of-living will lead to a need for a minimum of \$2.50 an hour.

Immediate action by Congress to improve the Fair Labor Standards Act is urgently needed by America's low-wage workers and their families. Such action would represent the strongest single step in the nation's effort to eliminate poverty. Therefore be it

RESOLVED: We call upon Congress to immediately enact H.R. 10948 and S.2070—to extend Fair Labor Standards Act coverage to millions of workers still denied such protection and to increase the federal minimum wage to \$2 an hour. Comparable increases in the minimum wage would be provided in Puerto Rico, Virgin Islands and American Samoa.

We oppose any sub-minimum wage based on the age of the worker.

Reduction in Working Hours

The reduction of worktime has been a long-time goal of unions. This goal continues, as we prepare for the 1970s. We shall seek reduced schedules of working hours, additional paid holidays, longer vacations, sabbatical leaves, early retirement and similar

provisions—to increase leisure and improve the quality of life of working men and women, while also creating additional job opportunities.

Furthermore, the overtime premium rate of time and one-half is no longer an effective deterrent to long overtime hours. With the growth of fringe benefits that are exempt from overtime requirements, this premium serves as less of a deterrent than it did when first established in 1938 under the Fair Labor Standards Act. In order to discourage employers from scheduling considerable overtime, the premium should be raised to double time. Therefore, be it

RESOLVED: We reaffirm our traditional support for reducing hours of work.

We reiterate the position taken by the 1967 Convention, in support of legislation for a 35-hour workweek and double time for overtime.

Furthermore we urge the incoming Executive Council of the AFL-CIO to examine the many aspects of reducing working time and increasing leisure.

Enforcement of FLSA

Nearly a half-million workers were underpaid approximately \$90 million in the past fiscal year, according to Wage-Hour investigative findings—violations of minimum wage, overtime and equal pay requirements of the Fair Labor Standards Act. Yet only about one-third of these underpayments have been recovered. Furthermore, it is estimated that only one-half of the actual violations have been uncovered by Wage-Hour investigations.

Improvements in the law, adopted in 1966, have expanded the volume of potential chiselling and have enormously enlarged the enforcement task. The 1966 Amendments expanded worker coverage from 32.3 million workers to 41.4 million—an increase of 28%. Establishments covered by the law increased from 1.2 million to 1.9 million, up more than 50%. If the Labor Department's Wage-Hour staff is not expanded, only 3% of the covered establishments will be visited annually.

In addition to the problem of too few investigators, there are some in government who would give these Wage-Hour investigators an additional mixture of responsibilities, further diluting their ability to enforce the Fair Labor Standards Act.

Effective enforcement of FLSA is the key to fulfillment of the promise it holds for low-paid workers.

To provide much-needed aid for low-wage workers—whether or not they are union members—the AFL-CIO has asked each state and local central body to take action on its own initiative to see that workers covered by the Act obtain their rights under the Act. President Meany asked central bodies to set up Wage-Hour enforcement committees to assist workers in seeking prompt government action on complaints of FLSA violations. Central bodies have been diligent in this work.

We commend AFL-CIO state and local central bodies for helping to bring about better enforcement of minimum wage, maximum hour, child labor, and equal pay provisions of the Fair Labor Standards Act and urge affiliated unions and central bodies to continue this assistance to low-wage workers. However, much more needs to be done. Therefore be it.

RESOLVED: The AFL-CIO calls on the Congress to appropriate the increased funds needed to meet the enlarged problems of FLSA enforcement.

We urge the Secretary of Labor to pursue effective enforcement of the Act through an adequately staffed Wage-Hour Division whose functions are not diluted by a mixture of varied responsibilities.

Household Workers

Today there are more than 2½ million women who work as domestics receiving an average annual wage of \$1,300. Forty percent of the women are heads of households.

These workers have few of the benefits accorded by law to workers in industry, such as protection under the Fair Labor Standards Act, workmen's compensation and unemployment insurance. Payments for social security are haphazard. Nor do these workers generally enjoy any of the basic fringe benefits, such as sick leave, paid vacations, and coverage for health and hospital insurance.

Frequently, women from rural areas are lured to the cities by attractive job offers, only to find that there are no jobs or the available jobs are extremely low-paid drudgery. Private employment agencies which, to a large extent, are responsible for bringing many of these women to the cities, exploit the situation in which these women find themselves. They offer no services to help the in-migrant in relocation or they charge for services which are readily available at no cost through community agencies.

A frequent practice of these employment agencies is to charge the applicant an exorbitant fee for job placement. The recruit-

ing practices of many of the private employment agencies are frequently misleading about the wages, hours and working conditions, without indicating the fees which will be deducted by the agency.

In addition, women from foreign countries are permitted to enter this country under the Immigration and Nationality Act to work as household workers. Once in this country such workers find themselves entirely on their own with few legal protections and almost completely dependent on their employers. In such an unequal relationship it is inevitable that these workers are frequently subjected to exploitation. Therefore be it

RESOLVED: 1. We call the attention of the Congress to the plight of the domestic worker and of the exploitation of these workers by employment agencies and employers.

2. We urge the Congress to enact legislation to protect domestic workers against the predatory practices of those private employment agencies which operate across state lines.

3. We urge Congress to investigate the importation of aliens for household service and to enact such legislation as may be necessary to protect such individuals against employers who do not provide adequate housing, pay or working conditions for such workers.

4. We urge wherever possible that communities develop non-profit cooperative employment agencies for household workers.

Rural America

American agriculture produces the greatest abundance of food and farm products the world has ever known. Yet nearly one-half of all impoverished people in the country live in rural areas, according to government estimates.

Rapidly rising agricultural productivity has resulted in skyrocketing agricultural output, displacing several million marginal farmers, with resultant economic distress in many rural farm communities. In the past quarter of a century this process has also accelerated the stream of city-bound migrants, particularly from the South and Southwest.

In addition, rural poverty characterizes the Appalachian region and other areas, where mineral and other resources are exhausted or no longer in demand. Poverty also characterizes Indian reservations and sections of the arid Southwest. Poor living conditions are the hallmark of those who work for wages in agriculture: indeed, farm workers are among the most exploited members of the work-force.

The decade of the 1960's has seen increased public awareness of the paradox of rural poverty in the midst of rural abundance.

This decade of the 1960's has witnessed the unprecedented growth of farm workers organization, the end of the Bracero program, minimum wage coverage for some farm workers, general recognition of the plight of the deprived farm worker, increased net income of farm enterprises and programs to stimulate job creation in Appalachia and other rural distressed areas.

But changes in rural America have been moving at a rapid pace. Corporate agro-business and large farms—with modern technology and rising productivity—are changing the rural scene. In 1959, there were 4 million farms. Today, there are only some 3 million and the 300,000 largest farms account for nearly two-thirds of total agricultural sales. Less than 5 percent of the nation's labor force produces more food and fibre than Americans can consume.

In the face of these rapid changes, existing public programs need re-evaluation and overhauling. While much is being done to enrich the prosperous few in commercial agriculture, too little aid is reaching those most in need in rural America. For example:

Farm income support programs provide large federal subsidies for profitable agro-business type farms, often owned by corporations and absentees.

Loopholes in the tax structure provide financial assistance to wealthy hobby-farmers, who use their ownership of agricultural assets as tax shelters.

Yet there is no comprehensive program for the retraining and re-employment of those displaced from agriculture.

While rural redevelopment plans have been enacted to counter the decay of many small rural towns that have lost their economic base, the resources appropriated are still too scant to meet the needs of such depressed communities.

AFL-CIO's support for a major national effort to aid rural Americans reflects our belief that rural people deserve to share equitably in the economy's progress. It is also based on the evident fact that solving the urban crisis partly depends on ability to improve living standards in rural areas. Therefore, be it

RESOLVED: 1. We recognize that the unique problems of agriculture require government aid to help many farmers obtain a fair return for their production. However, a reasonable ceiling should be placed on the amount of federal aid paid to any farm. Excessive payments to large and profitable farm enterprises cannot be justified.

2. Since most farmers must sell their products in markets dominated by a few buyers who enjoy superior bargaining power, we support appropriate efforts by farmers to bargain collectively for a reasonable price. By this means, dependence on government income-maintenance outlays should be reduced.

3. We urge Congress to enact the tax loophole-closing proposal of \$500, introduced by Senator Metcalf and endorsed by a bipartisan group of 26 Senators, to end this special benefit to the tax-loss hobby farmers, while assuring that legitimate farm operators will not be penalized.

4. The denial to farm workers of protection, long accorded other workers under federal and state laws, must end. Farm workers must be included in the coverage of the National Labor Relations Act, the Fair Labor Standards Act, state unemployment and workmen's compensation laws and other federal and state protective and social welfare legislation.

5. Special programs must be developed to provide rural inhabitants, and especially migratory workers and their families, with adequate education and library facilities, the opportunity of decent housing, health-care facilities and day-care centers.

6. Continued failure to adequately cope with the ill-health, malnutrition, and even hunger in rural areas is not tolerable. A federal welfare system is essential or, at least, adoption of adequate minimum federal welfare standards, with sufficient federal financing. Food distribution programs must be federally administered wherever states and local communities refuse to cooperate and they should be dedicated to meeting human needs.

7. To encourage job creation and improve the quality of rural life, the AFL-CIO supports expansion of the approach of the Appalachia regional program, the Economic Development Act and other federal programs to accelerate the building of highways, hospitals, schools, housing, manpower training and other community betterment projects in rural America.

8. Discrimination against minority groups must be ended.

9. We urge the initiation of a federally supported public-service employment program to create useful jobs for the hard-core unemployed and seriously under-employed in rural, as well as urban areas. Such a program would engage the unemployed at useful tasks, restore self-respect and teach useful skills.

Farm Workers

Ten years ago, the AFL-CIO launched a broad farm labor organizational effort, concentrated in the central and southern

valleys of California. Its initial purpose was not to bring dues-paying membership into a structured union form, but instead was designed primarily to introduce field workers to the principles of trade unionism and the processes of collective bargaining. Emphasis was kept constantly on the development of indigenous leadership. It was hoped that the activity generated by the program would have a beneficial impact on wages and conditions in the fields, as well as providing an additional base of active support for the AFL-CIO's desire to bring an end to the infamous "Bracero" program.

The AFL-CIO continued the campaign and much of what was anticipated came to pass. Growers, eager to avoid organization, gave voluntary wage increases in hopes of taking the edge off field workers' union desires. As a consequence, hourly wage levels in agriculture climbed at a record pace. The year 1962 was the last year for the "Braceros." Leadership was developing and by September 1965, the aggressive trade union attitude of the farm workers there had developed to a point where the now-famous "Delano Grape Strike" started. Touched off by AFL-CIO's Agricultural Workers Organizing Committee, the strike was soon joined by the other farm worker organization in that area, an independent community service organization known as the National Farm Workers Association. Their close cooperation in that strike soon led to merger activities and in August 1966, AFL-CIO granted the joint organization a charter as the United Farm Workers Organizing Committee.

Within a year, they won campaigns and gained union contracts with some of the major grape growers of the nation. As UFWOC came into its first AFL-CIO Convention in 1967, its delegates could announce 11 contracts covering thousands of workers and providing standard union benefits and protection with a wage floor guaranteed to not go below \$1.80 with that minimum scheduled to go to \$2.00 within two years.

They told the convention of their early struggles and of their deep desire to take their place in the family of AFL-CIO unions and President George Meany told them, before a cheering convention . . . "We are with you and we are going to stay with you until you have a real union!"

The enthusiasm of that convention, as it joined him in that pledge, helped describe to the nation the determination of trade union leadership to help these AFL-CIO farm workers attain their organizational goals. The next year, 1968, brought new challenges to the fledgling union that called for the fullest measure of that support.

The wealthy owners of the vast vineyards of California which produce virtually all of this nation's table grapes, had taunted the UFWOC to strike. As organizational efforts on their farms

reached adequate points, UFWOC made requests for orderly procedures to determine the representation question. The growers ignored them. Third-party efforts were equally unproductive. The arrogant confidence of the growers was understandable as strikes started.

Fields cleared of workers one day were re-populated the next day by non-resident alien strikebreakers brought in by bus and truck from the Mexican border. Called "Green-carders", because of the color of the visa they are able to use under an antiquated U. S. Immigration policy, they come from a Mexican economy where the U. S. minimum wage represents middle-class income. They are easy prey for the unscrupulous recruiting agents for the struck California vineyards.

The frustrating combination of circumstances which faces UFWOC is a government policy which denies them protection for their organizational right and denies them any orderly procedure for determining the question of representation, thereby inflicting the strike upon them as an inevitable organizational procedure. Hard upon this, they find another government policy, this one with respect to immigration, which minimizes the chance of a successful strike by permitting an endless stream of cheap-wage strikebreakers. It is little wonder that hardly before the echoes of the 1967 Convention had died away, UFWOC turned to its brothers in the trade union movement and to its friends throughout the nation to ask for support of a national boycott against California table grapes as the only effective organizational device remaining.

The story of the farm worker organizational effort from that day to this has been the story of a national boycott. The UFWOC has virtually decimated its California organizational manpower in order to send farmworker leadership into all of the major cities of this nation to promote and coordinate the boycott. AFL-CIO leadership throughout the nation has rallied behind this effort. Field staff assistance from National AFL-CIO staff is greater for the grape boycott than to any other national affiliate. Every element of the liberal progressive community has responded favorably to this great crusade.

Equally vigorous has been the enemy, the supporters of these backward growers who reject collective bargaining concepts that have long since become an accepted pattern for much of managerial America. The "radical right" has rallied great power and support. The National Right-to-Work Committee, the John Birch Society and the American Farm Bureau operate almost as one, where resistance to UFWOC is concerned. They have provided literature, propagandized over radio, television, and telephone, and have even taken to the anti-UFWOC picket lines. Every force that sees evil in the right of workers to organize has found delight in helping these grape owners.

The effect of the boycott has been substantial. Recent efforts to reach a negotiated settlement with a small group of growers representing a minority of the industry were unsuccessful. Veiled pressures from industry giants who still refuse bargaining procedures contributed greatly to the failure of those negotiations.

The National Boycott continues. The organizational challenge continues. The deep commitment of AFL-CIO unions to the cause of the farmworkers is more pronounced today than ever before. The reliance of their future on the help they must have from their brother and sister trade unionists is more critical today than ever before. Therefore be it

RESOLVED: The AFL-CIO once again commends the farmworker for his courage and perseverance in this great struggle and also commends the various organizations outside AFL-CIO who have aided farmworkers to continue their efforts on behalf of this, the youngest in the family of AFL-CIO.

This Convention calls upon every affiliate, every leader and every member to make the farmworker cause their cause, especially in regard to the national grape boycott with the goal of keeping fresh grapes off every union table and out of every union shopping basket.

The AFL-CIO continues to support the organizational efforts and collective bargaining programs of the farmworkers, while also supporting the legislative endeavors in Washington to bring them the coverage and protection of the National Labor Relations Act and improvements in the government's immigration policies.

The Flood of Business Mergers

The greatest flood of business mergers in American history has been rolling through the economy in recent years. Despite a tightened money supply, high interest rates and a decline in the stock market in 1969, the rise of business mergers continues unabated in 1969.

In 1966, large firms with assets greater than \$10 million which were acquired through mergers, had assets amounting to \$4.1 billion. By 1968, the assets in such merger acquisitions rose to \$12.6 billion and the Federal Trade Commission estimates that it may reach \$18 billion in 1969. Not only did the number of corporate mergers more than double in the two year period 1966-68, but these mergers involved increasingly large firms. In 1968, 74 of the 192 acquisitions of companies with assets of over \$10 million were made by firms among the nation's 200 largest companies. The top 200 manufacturing corporations

now hold 58% of the total assets of manufacturing corporations, compared to 48% only 20 years ago.

Along with mergers of industrial and mining corporations, there has been an increasing concentration of banking and its interlocking business connections. In 1967, a small group of 49 banks individually held 5 percent or more of the common stock in 147 of the 500 largest industrial corporations and had interlocking directorates with 286 of them.

These trends have brought a sharp increase in the concentration of economic power in the hands of the major corporations and the major banks.

They have also brought a vast expansion of conglomerate plants, which grow in all directions, in any industry or product-line, no matter how unrelated.

The concern with business mergers and conglomerates is not because these firms are large. Serious questions of concern to all Americans involve possible impacts of the increasing concentration of business-ownership and control on prices, efficiency, inventiveness and on the entire society. Immediate issues of special concern for trade unionists involve plant shutdowns and the shift of decision-making in collective bargaining from the plant to distant headquarters where financial matters are the primary concern. Therefore be it

RESOLVED: 1. We call on the Congress to disallow corporate income tax deductions for interest on debt used to finance mergers and acquisitions. The Congress should also thoroughly examine the extent to which other provisions in the federal tax structure contribute to the trend of mergers and acquisitions.

2. We urge the government to enforce the penalty tax provisions applying to excessive amounts of retained profits.

3. The skyrocketing trend of business mergers requires a detailed examination by the Congress—including the need to strengthen the appropriate operations of the Justice Department, Federal Trade Commission and the Securities and Exchange Commission.

4. The Securities and Exchange Commission should require corporations to file economic and financial reports for major divisions, as well as for the firm as a whole—to provide essential information on the operations of conglomerates to the public, employees, investors and financial analysts.

5. Government efforts are needed to make banking more competitive and less interlocked with non-bank business interests.

Newspaper Antitrust Exemption

The U.S. Federal Courts, including the Supreme Court, have found the price-fixing, profit-pooling and market-splitting provisions of a joint publishing arrangement between two newspapers in Tucson, Arizona, to be in violation of the nation's anti-trust laws and ordered the joint arrangement modified to eliminate those provisions.

The Supreme Court further ruled that the Tucson papers' anti-competitive operations could not be justified under the "Failing Company" doctrine, since one of the papers was not "on the verge of going out of business, nor was there a serious probability" that one would "terminate its business and liquidate its assets" unless it joined with its competitor.

Newspaper publishers involved in joint publishing arrangements in Tucson and 22 other U.S. cities for more than two years have been attempting to persuade the Congress to grant them unregulated, retroactive and perpetual exemption from the anti-trust laws' prohibitions against price-fixing, profit-pooling and market-splitting. (Bills to accomplish this now before Congress are S.1520 and H.R. 279, titled the "Newspaper Preservation Act." Predecessor bills before the 90th Congress were S.1312 and H.R. 7446, known as the "Failing Newspaper Act.")

These publishers also are asking Congress for a special definition of "Failing Company" as it applies to a newspaper: one which, "regardless of its ownership or affiliations, appears unlikely to remain or become a financially sound publication."

These same publishers in more than 30 days of hearings before the anti-trust subcommittees of the Senate and House have failed to demonstrate that price-fixing, profit-pooling and market-splitting are vital to continued publication of more than one newspaper in the 23 cities in which joint publishing arrangements exist.

Jointly operating publishers in more candid days have stated, however, that the greatest economies of joint publishing are had from merged printing and distribution facilities, which, the Courts have pointed out, are not forbidden by the anti-trust laws.

The stated purpose of the proposed anti-trust exemption is to preserve diversity of news coverage and ideological viewpoint, but neither the bills now before Congress nor their predecessors carry any guarantee of such diversity.

Newspaper combinations involving such close community of economic interest as price-fixing and profit-pooling have resulted largely in less diversity of news coverage and muted expressions

of ideological differences, while virtually precluding establishment of newspapers which would provide true diversity and commercial competition.

The 1967 AFL-CIO Convention went on record, during the 10th Congress, "strongly opposing" enactment of S.1312 and its companion bill H.R. 7446, known as the Failing Newspaper Act. Therefore, be it

RESOLVED: The 8th Constitutional Convention of the AFL-CIO opposes enactment of the broad, unnecessary, unregulated and perpetual anti-trust immunity for the business practices of the newspaper industry embodied in the Newspaper Preservation bill, S.1520 and H.R.279.

And further, this Convention calls upon affiliates to use all means at their disposal to inform union members everywhere of the nature of this anti-trust exemption and continue to convey to the Congress our opposition to passage of the measure.

Metric System

The metric system of weights and measures, which is commonly used through most of the world, has a long history in the United States. As early as 1790, Thomas Jefferson proposed that this system rather than measurement in inches and pounds, be considered as our national system. In 1866, by congressional action, the metric system was made legal but not mandatory. Although it was not popularly adopted by the public, it gained wide acceptance in scientific and technical fields.

In 1966, Britain announced that existing legislation would be implemented, allowing conversion to the metric system of weights and measures to be completed in ten years. More than 90 percent of the world's people, it is estimated, now use the metric system. Eventually, the U.S. and Canada could be the only two remaining nations that retain the "English" system, which even the English are abandoning.

A little over a year ago, President Johnson signed into law a bill authorizing the study of the possible use of the metric system of weights and measures in the United States. Two AFL-CIO trade unionists represent the labor movement on the Metric Study Commission.

The law requires the Secretary of Commerce to make a complete report on his findings to Congress within three years.

American workers have a high stake in the issue of conversion costs to the metric system. Workers' tools would become obsolete, education and retaining would become necessary; therefore, be it

RESOLVED: 1. That the present government study of possible conversion to the metric system recognize workers' investments in tools which would become obsolete due to conversion.

2. That the extent to which knowledge of the metric system might become an employment prerequisite be examined, in any planning for conversion to the metric system.

3. That workers' educational and retraining measures be determined, as part of any change in the system of weights and measures.

4. That relief measures, necessary to offset costs to individual workers, be made an integral part of any possible conversion to the metric system.

Consumer Protection

Consumer protection has taken enormous strides in recent years. Congress has made several significant breakthroughs in the enactment of consumer legislation. Consumer needs are reflected in a broadening variety of legislative proposals, informational and educational efforts, and cases in the courts. The heretofore customary privacy of business interests in consumer affairs is now subject to vigorous challenge.

The AFL-CIO reiterates its continuing support of the consumer cause, through expanding organized labor's consumer education, information, and counseling programs, through support for consumer cooperatives, through cooperation with national and state consumer associations, and through vigorous pursuit of consumer interest legislation.

The present Congress is in a position to equal the impressive record of recent years, as it faces an unprecedented number of consumer legislation proposals. To assure the effective execution of legislation already on the books, Congress must vigorously exercise its function of legislative oversight, as well as making sure that consumer protection programs are adequately funded and staffed.

Full funding, adequate staffing and enforcement of existing consumer protection measures are essential. Adoption of additional legislation is required to provide consumers with adequate protection. Therefore, be it

RESOLVED: We urge speedy Congressional enactment of strong and effective fish inspection legislation, along the lines of the previously enacted Wholesome Meat and Wholesome Poultry Acts. A key requirement for such legislation is provision for full-

time, continuous inspection activities. Illness and death from contaminated fish and the prevalence of grossly unsanitary conditions in the fish-processing industry must be brought to an end.

Congress should act quickly to remedy shocking inadequacies in consumer protection programs administered by the Food and Drug Administration, by providing needed new legislation, staff and money. An estimated 2 million to 10 million Americans each year become ill from eating contaminated food. Several hundred drugs are discovered, each year, to be mislabeled, contaminated or otherwise defective, after they are already on sale. Drug testing is almost entirely in the hands of the drug industry. Almost 6,000 medical devices—some capable of causing injury and death—are on the market, without government preclearance for safety. Americans spend \$7 billion a year on cosmetics that have little or no federal regulation. And each year 18,000 Americans die and 20 million are injured by hazardous consumer products, including pesticides, flammable fabrics, electrical appliances and other dangerous articles. A large number of the victims are children.

We urge vigorous enforcement and adequate appropriations to carry out previously enacted consumer legislation involving auto safety standards, flammable fabrics, truth-in-packaging, truth-in-lending and inspection of meat and poultry. Federal enforcement of auto safety standards is in a virtual state of paralysis. Progress in carrying out the 1967 amendments to the Flammable Fabrics Act has been dishearteningly slow. The National Commission on Consumer Finance, authorized by Congress to make a comprehensive study of consumer credit, has not been appointed. Truth-in-packaging has been hampered by administrative delays and inadequate staff. In view of the continued proliferation of package sizes, Congress should consider a legislative amendment to require price-per-unit labeling of consumer commodities, as well as other labeling and packaging improvements.

Congress should enact new legislation in the field of consumer credit. It should move promptly to enact current bills that would curb the excessive costs of consumer credit insurance, regulate credit reporting agencies, and cure the abuses of unsolicited credit card mailings. Legislation should be enacted to give consumers who buy from door-to-door salesmen a reasonable period in which to cancel the sale.

Additional federal reforms in consumer credit are needed, to redress the imbalance between the rights of creditors and debtors in consumer credit contracts. Present state laws are heavily stacked in favor of creditors. The Uniform Consumer Credit Code, now being considered in state legislatures, proposes a state-by-state overhaul of existing laws. The Code contains a number

The High Cost of Drugs

The hearings on drugs before the Senate Subcommittee on Monopoly, conducted by Senator Gaylord Nelson (D.-Wis.), have revealed the extraordinary extent to which the major pharmaceutical manufacturing companies are exploiting the American public.

The major drug manufacturers profit from the fact that, while our medical schools offer theoretical courses in pharmacology to medical students in their second year, no course in the clinical application of pharmacology is given in the great majority of our medical schools. The result is that drug "detail men" or salesmen and promotional literature of the drug manufacturers have usurped the function of physician education. Physicians have virtually no objective and unbiased source of information about drugs and therefore rely heavily on what the drug manufacturers tell them.

Nor is there objective research with regard to the effectiveness of new drugs which apply for licensure and introduction to the market place. The Food and Drug Administration does not, itself, evaluate the effectiveness of new drugs. Rather, the FDA largely reviews the work of the research conducted or sponsored and paid for by the company making the new drug application. Dr. James Goddard, former Commissioner of the FDA, has testified that most of the so-called research activities which support new drug applications amount to little more than testimonials. The regard with which the drug manufacturers, themselves, view the work of many of their physician researchers can be judged from the fact that the manufacturers refer to them as "proof mills" according to Dr. A. Dale Console, former Medical Director for E. R. Squibb and Co.

Overzealous sales promotion has resulted in drugs being prescribed for diseases and conditions for which the prescribed drug is not even effective, for diseases and conditions for which the drug has greater potential for harm than good, and for diseases and conditions for which another drug would be more effective. Several prominent physicians have testified before the Nelson Subcommittee that twice as many drugs are prescribed as is necessary. Nobody really knows how many people die annually from overprescribing and misprescribing, but a study conducted by Johns Hopkins Hospital showed that 4 percent of all patients admitted to the hospital come in because of an adverse drug reaction and 5 out of 714 patients suffering from such adverse drug reaction died.

This year a Task Force on Prescription Drugs of the Department of Health, Education and Welfare issued a report which called for action on a number of fronts including, among other

recommendations, that H.E.W. conduct a continuing survey of drug costs and drug use, that H.E.W. provide financial support to medical schools so that they can include courses in clinical pharmacology, that H.E.W. establish or support a publication to provide up-to-date information on drug therapy as well as continuing education programs on drugs, that adequate financial support be given to the Food and Drug Administration for maintaining quality standards and that legislation be enacted to authorize FDA to establish a clinical and laboratory facility to conduct objective research regarding the effectiveness of different drugs. One of the most important recommendations of the Task Force was that H.E.W. be authorized to publish and distribute a drug compendium to physicians listing all drugs, together with their clinical effects, indications and contraindications for use, together with price information.

In one respect, the Report did not go far enough. Some drugs are effective, but may be less effective than other drugs for the same disease. Therefore, be it

RESOLVED: The AFL-CIO calls upon the Administration to implement the recommendations of the Task Force on Prescription Drugs, and urges that Congress enact legislation granting the Food and Drug Administration the authority not only to evaluate the effectiveness of drugs, but also the authority to evaluate which is the most effective drug for a particular disease.

Civil Rights

Fifteen years ago, the Supreme Court ruled that racial segregation in schools violated the Constitution and called for its ending with all deliberate speed. But compliance with the law came very slowly. After ten years, only 1% of Negro children were going to integrated schools in the South. Today, the figure is still far from satisfactory.

During the Kennedy-Johnson Administration, Congress passed comprehensive civil rights legislation to end discrimination in all aspects of American life—public accommodation, voting, education, employment, housing and in the administration of justice.

Today, we can see the results in substantial progress not only in this fight against discrimination but in bringing minority group citizens into the mainstream of American life.

But despite this progress, there are no grounds for complacency. The increasing crisis proportions of problems in our cities, the abnormally high rates of unemployment among Negro

and other minorities and the remaining pockets of discrimination are festering sores. It would be idle and tragic to ignore them or pretend that they will go away.

Indeed, it cannot be stressed too strongly that the country as a whole, and we in the labor movement in particular, must pay greater attention at every level—national, state and local—to bring about sound, effective and democratic solutions to these problems.

In fact, since the last election, the momentum for sound progress has slowed.

It is no exaggeration to say that the great gains that have been made as a result of the efforts of the civil rights movement, the American labor movement and religious and liberal organizations are in peril today.

The Nixon Administration has failed to provide forthright and unambiguous support or adequate and consistent implementation of the laws.

The United States Civil Rights Commission recently observed that "for the first time since the Supreme Court ordered school desegregation, the Federal Government has requested, in court, a slowdown in the pace of desegregation."

This is no isolated incident. In failing to oppose the Whitten amendment in the House of Representatives and by moving from established, successful regulations to complete reliance on the courts, the Nixon Administration is permitting a major retreat in the struggle to achieve meaningful school desegregation.

Another example is in the area of voting, where the Voting Rights Act of 1965 aided by vigorous implementation by the Department of Justice under President Johnson resulted in 800,000 new Negro registered voters in those states where voting discrimination had been most onerous. But here too, the Administration has failed to press for a simple five-year extension of the Voting Rights Act of 1965 that would insure that the clock not be turned back.

Nixon Administration officials are covering this retreat in civil rights enforcement by trying to make a whipping boy of unions, especially those in the building trades. They have resorted to an unsound double standard in attempting to deal with the legitimate problem of expanding the opportunities for minority group workers in higher paid skilled and technical jobs.

It is part of a calculated strategy of accommodating conservative elements in the South while, at the same time, trying to divide minorities, labor and liberals who have been the backbone of the effort to achieve progress in the civil rights area.

The unity of these forces for equality are vitally necessary today to maintain the gains that have been made and to start a new march forward toward the goal of an integrated society with equal opportunity and equal justice for all.

The AFL-CIO is proud of its record in the struggle for civil rights and we have particularly sought to end discrimination in employment. The AFL-CIO played a major role in getting a Fair Employment Practice section into the Civil Rights Act of 1964 which covered unions as well as employers. It has worked with its affiliates to attain compliance with the law. Today, it strongly supports efforts to strengthen the Equal Employment Opportunity Commission by giving it cease-and-desist powers needed to make it more effective. The Administration is opposed, asking enforcement in the federal district courts. Here as in the school desegregation situation, the Administration moves in a direction that the civil rights movement can only view as dilatory and ineffective.

Nor has the AFL-CIO limited its efforts to the legislative front. It has taken the initiative to work with affiliates in developing affirmative action programs on a sound basis that would bring significant results, whether required by law or not.

Specifically in the construction industry, the AFL-CIO has worked with the Building Trades Department, international unions, local building trades councils and groups like the Workers Defense League—A. Philip Randolph Education Fund Committee, the Urban League's LEAP Program and other community groups. The results obtained speak for themselves.

By July of 1969, 4,248 minority group apprentices were placed by Outreach Programs. Of these, 3,958 were in building and construction trades apprenticeship programs. The bulk of these were not in the so-called "trowel trades". Electricians, carpenters, iron workers, plumbers, steamfitters and sheet metal workers accounted for 2,293 of these apprentices.

Minority group apprentices in the construction industry have moved from less than 2.5% in 1960 to 7.2% in 1968. The majority of regular apprentices in federally serviced programs are in the construction industry. The percentage of minority apprentices is higher than in metal manufacturing, non-metal manufacturing and public utilities and transportation.

At its last Convention, the AFL-CIO endorsed the Outreach Programs that then existed in sixteen states and recommended that these programs be emulated in other states. Today, Outreach Programs for recruiting, motivating and preparing youngsters for building trades apprenticeship programs have been founded by the U.S. Department of Labor in fifty-five cities after agreement by local building trades councils for full cooperation.

This is an excellent example of a sound policy being designed and implemented with effective results.

The AFL-CIO is encouraged by the policy statement of the Executive Council of the Building and Construction Trades Department, which was passed unanimously at its recent 1969 Convention. This statement reaffirms the Building Trades policy of non-discrimination and calls for the acceleration and extension of apprenticeship Outreach Programs which have proved successful in actual operation. Moreover, it does not limit itself to these successful programs.

It also outlined a program for increasing minority group participation outside of the apprenticeship route, saying:

"We make flat and unqualified recommendation to local unions throughout the United States that for a stated period of time they should invite the application of qualified minority journeymen for membership in their respective local unions and should accept all such qualified minority journeymen provided they meet the ordinary and equally administered requirements for membership."

It also recommends for study by local unions the establishment of training programs for minority workers who are not either qualified journeymen or eligible for apprenticeship. The statement says:

"We also recommend that the local unions and the local councils explore and vigorously pursue training programs for the upgrading of minority workers who are not of apprenticeship age. Such programs should be developed in such manner as to prevent under-cutting the established apprenticeship programs. The recommendations which have been previously made on model cities should furnish an appropriate guideline for development of these journeymen training programs."

The implementation of this excellent statement is a sound basis for bringing increased participation by minority group workers in skilled jobs in the construction industry, especially in those locals which now have low participation rates. The use of quotas is a bad substitute for sound, effective programs. It is not only of questionable legality under the Civil Rights Act, but it does not even insure permanent skilled jobs for minority workers.

The Administration's so-called "Philadelphia Plan" sets up unsound procedures used in no other industry, segment of the labor market or in government itself. The excuse for this is the low percentage of Negroes and other minorities in the construction industry. In most cases, the figures that have been used for justification have been erroneous. For example, in Philadelphia, government officials implied that less than 2% of building trades membership were minority group workers. The facts are that

over 80% of Philadelphia Building Trades members are Negro, and excluding Laborers, 12% of all journeymen are Negro.

Government figures on white collar occupations and in industries, such as textile, banking and newspaper, show far less overall minority group participation than in construction and no higher percentages in skilled categories. In these industries, employers unilaterally do the hiring. Union's have little if any, say. There is no excuse for the Administration to play a "numbers game" as they did in the Philadelphia Plan publicity. Falsely portraying the facts won't help minorities get jobs or end discrimination.

The AFL-CIO urges that vigorous efforts be made to expand opportunities for minority group youth and workers in the better-paid and more skilled jobs throughout our economy, including the building and construction trades industry. But we urge that it be done on a sound, fair effective continuing basis and we are opposed to making a political football out of an issue as important as the issue of ending discrimination in employment—everywhere, in all kinds of employment, for all time.

Discrimination and deprivation are problems not only of the American Negro, but of other minority groups. Americans of Mexican descent are the second largest minority. Puerto Rican, Indians, Japanese, Chinese, Eskimos and Aleuts today face problems of discrimination.

Some of the Spanish-speaking minorities have a disproportionate number of people unemployed, under-educated, and below the poverty line in income.

The AFL-CIO especially and its state federations in those areas where these minorities are concentrated must pay increasing attention to their special problems. We are proud of our efforts and those of our affiliated unions in helping the farm workers, under the leadership of Cesar Chavez, to bring dignity and an end to exploitation to this segment of the working poor. The AFL-CIO is also proud of the increased participation by minority group workers in the trade union movement and of the contributions that they are making.

The AFL-CIO reiterates its dedication to the principal established in its Constitution—when the merged federation was founded—equality and equal benefits of union membership for all workers regardless of race, creed, national origin or sex. We urge that all international unions, state federations and central bodies insure that their civil rights committees be active and work with the Civil Rights Department of the AFL-CIO toward the end of eliminating any vestige of discrimination that may remain in labor's house.

We must—and we will—continue our fight for full civil rights.

We will continue to measure progress and not seek to hide it. We will continue to delineate shortcomings and move to eradicate them. We will continue the unity of labor, liberal and civil rights forces.

We stand firm in the conviction that has brought us this far—our belief in the dignity of a man, the worth of an individual, the classlessness of citizenship.

The answer is the keystone of the trade union movement—brotherhood.

EDUCATION

Education

The years of the Kennedy and Johnson administration brought about major changes in American education. After a century of debate and deadlocks over the issue of federal aid to education a series of Congressional acts at last made the federal government a full partner in the financing of education at every level, ranging from early childhood education through elementary and secondary education, on through to higher education and adult education. The AFL-CIO has played a major role in winning the passage of all of these laws which have improved the educational opportunities for all Americans, wherever they may live, whatever their income, race or creed.

Federal support for education has had a significant effect. The acute teacher shortage of a few years ago has all but disappeared, and teacher salaries, although still below the earnings of many professionals, have improved in many areas. Educational innovation is flourishing as never before and throughout the nation dramatic new methods are being used to reach disadvantaged children who have been largely neglected by the schools of the past. It would have been disastrous had such progress not taken place.

Impressive as the progress has been, American education is still in a state of growing crisis. Present levels of federal support are still not commensurate with the demands of the situation. Virtually every city in America faces a financial crisis; the costly problems of the inner-city have multiplied and the tax resources have been drained away. State and local support for education is derived mainly from the sales tax and the property tax, neither of which is well designed to reach the most lucrative sources of school revenue which may exist even in the wealthiest of states. Substantially increased federal contributions to the costs of education are essential if the gains which we have won are not to be lost again.

The early months of the Nixon administration give rise to serious concern about the immediate future of the federal government's role in the field of education. At the time the AFL-CIO meets in Convention in October, 1969, President Nixon has yet to issue his first presidential message on the subject of education. Rather than setting a clear direction for national educational policy, the administration appears to be drifting aimlessly and

the drift has been largely in the wrong direction. At the very time when educational needs are greater than ever, the administration has pressed for reduced federal expenditures in the field of education. At the time when the very future of integrated education hangs in the balance, the administration has taken an uncertain course, alternating between acceleration and deceleration of school integration. For American education, the times grow more serious every day, and there have been few signs to indicate that the Nixon Administration is prepared to meet the challenge.

There must, at the very least, be full funding of existing programs of federal support for education, including the Elementary and Secondary Education Act, the Vocational Education Act, the Higher Education Act, and the Library Services and Construction Act. Present legislation authorizes expenditures approximately double what has been appropriated. Moreover, the authorizations for most of these programs need to be increased to meet the magnitude of the problems. Already some school districts have run out of money and had to close down their schools, and many cities are faced with the same danger.

There is no doubt that America can provide vast additional sums for education if our potential growth in gross national product is developed, and utilized for educational purposes.

In apportioning such funds to local educational agencies the underlying principal should be that of educational need. The educational need of a community is determined by its per capita wealth and income on the one hand and its social deficits—a number of poverty families, transiency of pupils, school overcrowding, court cases involving children, school drop-out rates—on the other. The present formula for distribution of Title I funds accomplished this objective in part. But it needs to be greatly strengthened by taking factors other than poverty into account.

Nearly as serious as penny-pinching appropriations is the problem of delay in appropriating funds. Appropriations for various elementary and secondary school programs, for example, have frequently not been passed by Congress until after the beginning of the school year, a fact which paralyzes schools in their ability to plan intelligently how they will use the funds. The AFL-CIO and most major organizations in the field of education have supported forward funding for educational programs, that is: appropriating money a year ahead of the school year in which the money would be used.

Not all of the problems of the schools can be solved at the federal level. The AFL-CIO urges local unions and local and state central bodies to develop programs to strengthen education at the state and local level. New school construction, collective bargaining for teachers and free text books remain unfulfilled goals in many school systems.

Most large school systems have developed a lumbering bureaucratic structure which makes them slow to respond to the needs of their students, faculty and communities. School administrations need to be modernized. Many cities, in an effort to make their schools more responsive, are moving in the direction of decentralizing their school system with various degrees of community decision making of the decentralized sub-systems. Such innovations can do much to break through bureaucratic dead weight and to create a system of education which can be flexible and responsive to needs. Unions must be watchful, however, that decentralization plans which may be developed in their communities do not become disguised vehicles for re-segregation of the schools. Unions must also be on guard that community decision making becomes a vehicle for involvement of the total community in the educational decision-making process, and not simply a vehicle by which a few noisy people can dominate the schools. Needless to say, decentralization of schools must not be used to undermine existing collective bargaining agreements.

Vocational education has long been a special concern of organized labor. Too often in the past, vocational education has been regarded as a dumping ground for students whose school years have been marked by academic failure. Schools must prepare all students for the realities of the world of work. Such preparation can best be achieved through comprehensive organization of schools which bring together general education and vocational education, beginning even in the elementary school years and continuing on through the junior college level. Such a unified approach, by giving all students at least some experience in skill training and by giving all students a solid foundation in English, mathematics, sciences and social studies, can do much to restore the dignity of labor, a concept which has often been lost in the schools of the past.

For all students, an important part of learning about the realities of the world of work is to develop an understanding of the institutions which exist in that world, among the most important of which are unions. A number of carefully documented studies have demonstrated the general need for fuller and more accurate treatment of organized labor in the textbooks which are used in history and social studies courses. On the positive side, some school systems are beginning to include comprehensive units on organized labor in their curriculums, and we urge the further growth of this trend.

Not only in vocational education, but in many other aspects of the school programs there is an important role for advisory committees with strong labor participation. Such committees can contribute significantly to the development of schools which can realistically prepare young people for life in the real world of work.

It has long been the position of the AFL-CIO that free public education should no longer be limited to twelve years of school. For the very young, especially those who have been economically deprived, pre-kindergarten classes have proved to be of great benefit in improving further educational achievement. Beyond high school, free education should be available to all young people at least through the fourteenth school year, and a combination of federal scholarships, low tuition or free tuition, and work-study opportunities are needed to insure that every young person has an opportunity to obtain higher education. Existing federal programs of loans to students have been helpful, but they are clearly not a sufficient answer to the mounting costs of higher education.

The population explosion which began in the period following World War II has now reached the college campuses and it has been accompanied by an unprecedented wave of student unrest. The right to dissent and to protest are essential to the American democratic process, and in most cases, student unrest has had its roots in legitimate and long standing grievances. Universities must develop meaningful methods of student participation to thwart the irresponsible few who seek to exploit legitimate grievances for their own destructive purposes. Various laws have been proposed in Congress to deal with student unrest, and all of them are dangerous. Some proposed legislation would withhold federal aid from colleges and universities which have been marked by student disorder. This would have the effect of penalizing the many for the misdeeds of the few. Other proposals would withhold student aid from students participating in campus disorders. This would amount to class legislation, penalizing low-income students who depend upon federal aid, but doing nothing in regard to students who were affluent enough to pay their own way. The disciplining of students who go beyond the reasonable limits of dissent is a matter best handled by the universities, and where appropriate, by the civil authorities. It is not appropriate for the Federal government to inject itself into matters of student discipline.

There is need for expanded services in the field of adult education. Programs in adult basic education have achieved impressive results, but available funds have not permitted expansion of these programs to the levels which are needed. Federal support for workers' education has been too long delayed; training workers for effective leadership in their unions deserves a place alongside other federally financed adult training programs. Increased longevity has resulted in an unprecedented proportion of senior citizens in our population, special programs should be developed to make their years of retirement meaningful. There is a need among older adults who often have failing eyesight for more books and other publications printed in large type editions.

To provide the range of programs needed if Americans, both young and old, are to have within their reach the quality education which they need, it will require money which is not now being invested in education. This money must in the largest part come from the Federal government which alone has the taxing power to meet the needs. Therefore, be it

RESOLVED: That the AFL-CIO support a program of full federal partnership in the financing of education from pre-kindergarten to adult education. Be it further

RESOLVED: That the AFL-CIO support the significant increase of present levels of federal expenditure in order to make possible a massive national effort to provide quality education for all Americans—children, youths, and adults—wherever they may live, whatever their race or national background, whatever their family income. Such additional Federal funds should be distributed to local educational authorities on the basis of educational need. Only through such efforts can we realize our goals and objectives to provide the equal opportunity for all Americans to acquire the necessary tools for a better life.

International Education Year (IEY) — 1970

WHEREAS, At the initiative of the U. S. government, the UN General Assembly and the United Nations Educational, Scientific and Cultural Organization (UNESCO), in 1968, resolved to designate 1970 as International Education Year, and

WHEREAS, The objectives of this program include the assessment by each nation of its educational needs; the improvement of education in major specified aspects; the democratization of education; improved pre-service and in-service training of teachers; the furtherance of international understanding and peace; and other worthy goals, and

WHEREAS, The low status of education throughout the world necessitates a dramatic and full understanding of the facts and concepts involved, and

WHEREAS, The U. S. National Commission for UNESCO has endorsed the full cooperation of our country in this project, and

WHEREAS, UNESCO has called upon each nation to engage in appropriate worthwhile activities to achieve the aforementioned objectives, therefore be it

RESOLVED: That the AFL-CIO wholeheartedly endorse the concept, the objectives, and the suggested activities of the International Education Year, and be it further

RESOLVED: That we call upon the President of the United States and the U. S. Office of Education to take appropriate steps to plan and prepare for IEY activities, and be it further

RESOLVED: That the AFL-CIO work closely in cooperation with the AFT in connection with this program.

GOVERNMENT EMPLOYEES PROGRAMS

Federal Workers

WHEREAS, The American Federation of Labor and Congress of Industrial Organizations has always played a vital and indispensable role in helping its affiliated organizations of federal workers achieve their legitimate economic and social goals.

WHEREAS, The federal government should be an ideal employer of human beings, and that it should set an example for the nation by providing wages and working conditions at least equal to those prevailing in the private sector for workers of similar skills, training and education, and

WHEREAS, The federal government has lagged far behind private industry in the areas of wages and working conditions, and that the resulting gap can be filled only by progressive and constructive legislative and administrative actions.

In view of the foregoing; therefore, be it

RESOLVED: That the Eighth Constitutional Convention of the American Federation of Labor and Congress of Industrial Organizations assembled in Atlantic City, New Jersey, commencing October 2, 1969, does hereby adopt the following program of legislation and administrative relief for government employees:

Union-Management Relations in the Federal Government

The most dramatic event in this field in more than a century was the introduction of the principle of collective bargaining as a matter of federal government policy under Executive Order 10988 of January 17, 1962. Despite this proclamation, for more than seven years, unions of federal workers have encountered stubborn resistance on the part of numerous management officials to the unions' legitimate attempts to make the order fully operational.

Based on the experience of seven years, it is imperative that we seek enactment of union-management relations legislation as a matter of highest priority. Such legislation should, among other changes, provide binding arbitration of negotiation impasses and grievances, designation of a board to impartially administer the program, enlargement of the scope of bargaining, and clarification of "management rights." Negotiated agreements, not in conflict with law, should supersede agency regulations. Arbitrary exclusion of groups of employees should be discontinued. In short,

it should confer rights similar to those available in private industry. All those employees in the Federal Government including non-appropriated fund activities, the Government Printing Office, and similar functions should be afforded these rights also.

Legislation to attain these objectives has been developed through the cooperation of the AFL-CIO and unions representing federal workers. We endorse these revisions, as contained in S. 2460 and H.R. 12349, and urge their early enactment.

Pay

(a) In 1962, Congress enacted a salary "comparability" law designed to provide pay adjustments for federal classified, postal, and other employees whose rates are fixed by statutes, with compensation consistent with salary movements in private industry. This policy was confirmed by Congress in 1967.

The system has not worked. Pay adjustments for these employees in July, 1969, reveal that almost one-half of the 2 million workers covered are receiving rates substantially below "comparability" and were related to salaries prevailing in the private sector a year earlier.

This situation has resulted in serious injustices to the employees involved, and has impeded the Government's efforts to obtain a highly competent federal work force.

Efforts of our unions with the executive branch to make the annual "comparability" survey reflect actual conditions in the federal government and private firms have proved unavailing.

It is essential that Congress enact salary reform legislation making it clear that it expects the "comparability" principle to be followed. The statute should include union representation in determining survey rules and reviewing Bureau of Labor Statistics findings, creation of an arbitration board, including union representation, to resolve controversies, with Congress as the final authority. The legislation should provide "comparability" on a current basis, rather than rates paid by private companies the previous year.

(b) Legislation for premium compensation at time and one-half for work in excess of 8 hours per day and on Saturday, double time for Sundays and holidays, and two and one-half times the regular rate of pay for work on Christmas Day, for all federal employees. A basic workweek extending from Monday through Friday should be established for all workers. Night differential should be fixed at 20% of base pay. In computing a particular type of premium compensation, all other kinds of applicable additional pay should be included.

(c) Legislation fixing a 35-hour workweek for government employees without reduction in pay.

(d) Legislation to pay employees in 3rd class post offices at the same rate as employees in 1st and 2nd class post offices for substantially similar work.

(e) Legislation authorizing additional pay for postal workers required to study postal schemes for distribution of mail outside normal working hours.

Postal Corporation

The Post Office Department of the United States provides a basic means of communication in our Nation. It touches the lives of almost every citizen in this country, and governments, people, and business enterprises abroad.

Conversion of the department to a public corporation would deprive citizens of the United States of an effective voice in the operation of this vital service through their elected representatives in Congress.

Despite the arguments of corporation proponents that unions of postal workers would be free to bargain collectively on pay and working conditions of their employment, the absence of complete bargaining rights enjoyed by workers in private industry would severely limit the ability of unions of postal employees to effectively represent their members.

The opportunity for postal unions to utilize arbitration of negotiation disputes only with the concurrence of postal management would make the arbitration process totally ineffective, particularly if employees are denied the right to withhold their services.

Needed reforms and modernization of the postal system can be achieved within the framework of the existing departmental structure.

We endorse the action of the AFL-CIO Executive Council and the testimony of President Meany to the House Committee on Post Office and Civil Service, July 30, 1969, strongly opposing transformation of the Post Office Department to a corporation.

Retirement

(a) Legislation permitting federal and postal employees to retire at their option after 30 years of service, regardless of age, with full benefits.

(b) Legislation to remove the current deficiency in the Civil Service Retirement Fund through additional contributions by the federal government as a means of correcting the failure of the government to meet its past and future financial obligations. The contribution rates of employees must continue to be fixed by Con-

gress, rather than authorizing the Civil Service Commission to make such determinations. One method of remedying the imbalance would require the federal government to augment the fund by 2 percent of payroll for each additional 1 percent required of the employees.

(c) Oppose merger of Social Security and Civil Service retirement systems. However, employees should have the right to participate under an optional program of coverage under the Social Security Benefits Act in addition to the Civil Service Retirement Act.

(d) Increase from 55 to 60 percent the surviving beneficiary's share of the employee's pension. Eliminate the reduction in an employee's annuity when he elects benefits for his survivor.

(e) Retirement deductions on all earnings, including overtime, night differential, special allowances and other premium pay, for groups of employees who work under these conditions throughout their careers.

(f) Increase the general formula for computing annuities to 2 percent. In the case of hazardous occupations, the formula should be adjusted to $2\frac{1}{2}$ percent, with extension of hazardous retirement to additional jobs.

(g) The salary base for determining annuities should be revised from the highest 5 to the highest 3-year average.

(h) For spouses who elect an annuity for survivors, the annuitant's full pension should be restored upon the death of the survivor annuitant. A Civil Service pensioner who remarries should be able to designate the new spouse for a survivor annuity.

(i) The minimum annuity available to employees retiring for disability should be increased substantially.

(j) The Department of Defense should contribute to the Retirement Fund amounts covering military service of those who become civilian federal employees.

(k) Legislation permitting federal employees to receive credit for all sick leave unused at the time of retirement, death or separation.

(l) Retirement credit for employees during periods of entitlement to compensation for injury.

Promotions

Legislation directing the development of promotion policies and impartial promotion procedures with recognition of seniority, merit and "promotion from within" as the guiding principles.

Leave

(a) Legislation permitting receipt of a lump-sum payment for annual leave in excess of statutory ceilings accumulated during the year by an employee who retires or resigns.

(b) Legislation repealing the bar against employees using annual leave during the first 90 days of employment.

(c) Employees prevented from using annual leave because of conditions beyond their control—such as refusal of supervisors to grant leave, administrative error, sickness—should have these days added to their normal accumulation.

(d) Federal employees, who are elected or selected as full time union representatives, should be granted leave of absence with protection of job security, seniority, leave, and other benefits, which they would have received had they remained in Federal Service.

Political Activities

The Hatch Act must be given a complete re-appraisal. To preserve the impartiality of the federal government's service to the citizens of the United States, appointment, promotion, and retention of federal workers must be free from political considerations. At the same time, federal employees must be assured maximum freedom to exercise their political rights and responsibilities as citizens.

Constitutional Rights

Continuing investigations by Congress have revealed serious invasions of the privacy and other Constitutional rights of federal employees. Congress should complete action on legislation to eliminate further transgressions.

Classification

A thorough review of the salary classification acts applicable to all government workers is a necessity, with development of standards and other classification processes through agreement between labor and management. Special attention should be directed to groups of employees now experiencing serious grade misalignments.

Automation

(a) Automation is one of the most important challenges facing our nation. While the organizations of federal employees do not oppose automation *per se*, they insist that its benefits be employed in making the lot of the individual worker better, and his

work-load lighter, not heavier. Legislation should be enacted which will prohibit management from downgrading senior employees who find it impossible to adjust their work habits to the new demands imposed by automation.

(b) Adequate training and placement programs are needed to prepare individuals for automated jobs and any resulting promotion opportunities.

(c) Oppose "speed-up" programs in the Post Office Department and throughout government service, Work Performance Schedules, Basic Motion and Time Studies and similar systems. Oppose the Government Printing Office practice requiring certain employees to meet time standards in setting type.

Compensation for Injury

Support improvements in the Federal Employees' Compensation Act to increase monthly benefits and lump-sum awards to injured workers. Relating compensation increases for permanently disabled workers to wage and salary adjustments for active employees in similar occupational groups. Continuation of injured employees in active pay status pending commencement of their compensation payments.

Health and Welfare

Legislation for the federal government to defray the entire cost of health benefits and life insurance programs for active and retired employees, with no reduction in benefits upon retirement.

Safety

In promoting protection of federal workers from loss of life and injury, the federal government should maintain a model safety program. Introduction and maintenance of safe working conditions results in significant monetary savings to management, and shields the worker and his family from salary loss. The federal government should undertake an aggressive safety program providing full union participation at all levels.

Legislation should be enacted designating one agency to develop and enforce safety standards throughout the Federal Service. It should recognize the right of unions to contribute to these objectives.

The policy should include provisions of safety equipment at government expense where employees are required to use such equipment.

We urge maximum union participation in this effort.

Use of Military Personnel

Assignment of military personnel to work which can be performed by federal civilian employees continues as a pressing problem. Evidence produced by Congressional sources proves this practice wasteful, and that millions of dollars can be conserved by having civilian employees accomplish such tasks. Services and skills of military personnel can best be utilized in functions directly related to military matters, particularly in periods of international hostility, such as the present. We oppose continuation of these incidents.

Postal Service

(a) Endorse restoration of curtailed postal service and improvement in postal operations to provide the most efficient service possible to the American people.

(b) In the interest of efficiency and economy, inter and intra city transportation of mail by trucks should be accomplished by postal employees and equipment.

(c) Since the American taxpayer is entitled to the best possible postal service, we oppose curtailment or reduction in the Special Delivery Service.

Fire Service

(a) Oppose consolidation of the positions of firefighter and protective and law enforcement service and departure from the traditional pay equality between these protective services.

(b) Urge federal and other public administrators to raise fire protection and safety standards with formation of fire inspection bureaus in communities as a means of achieving this objective.

(c) Appropriation of adequate funds to implement the provisions of the Fire Research and Safety Act of 1968, including establishment of a National Commission on fire prevention and control.

(d) Reduction in the present 72-hour workweek affecting a large majority of federal firefighters is essential to meet practices prevailing in large, progressive municipalities. The shorter workweek should be accomplished without impairing the total annual pay of these employees.

(e) Legislation protecting firefighters at all political levels from illegal interference while engaged in the lawful performance of their duties during riots and civil disturbances.

Insistence on Civil Service Procedures

Oppose authority of agency heads to separate employees without recourse to established Civil Service procedures and appeal rights. Oppose any effort to remove federal jobs from Civil Service coverage.

Uniform Allowances

Increase and extend the uniform allowances to all employees in occupations now covered and to additional occupations as needed, including all maintenance and mechanical employees of the Post Office Department. Increase the allowances to defray costs of uniform maintenance and provide such allowance where none is provided.

Reimbursement for Travel Expense

Increase the maximum per diem allowance to \$35, with commensurate increases for postal workers in mobile units.

Payment for Travel Time

Employees required to travel on official business outside the normal working hours should receive additional compensation at regular overtime rates.

Non-appropriated Fund Operations

Employees in non-appropriated fund activities should be accorded Civil Service status with all benefits accruing to career federal workers, including equitable pay.

Wage System Revision

Replace the Federal Coordinated Wage System with an impartially led wage board pay determination system with equal union and management representation with an impartial tie-breaking mechanism at all levels so that the hourly rates of these employees may be made consistent with the prevailing wages paid in private industry and keeps them there through surveys conducted at those intervals and under those conditions necessary to maintain truly comparable structures of pay.

Collective Bargaining Rights for State and Local Government Employees

Public employees at the state and local government level seek to participate, through true collective bargaining, in the de-

termination of their wages and working conditions. Without collective bargaining, these workers have no effective voice in the setting of the conditions under which they work.

While public policy has long assured employees in private industry of their right to bargain collectively, this same right is still denied many millions of employees of state and local government. Not only do they lack the assurance of an effective right to bargain—they often lack even the basic rudimentary machinery for the recognition of bona fide unions as bargaining agents for public employees.

As a result of the denial of bargaining rights, employees of state and local government suffer a widening disparity between their level of pay and fringe benefits and that enjoyed by organized workers in the private sector. In many areas, a wide gulf has developed between wages for comparable work in the public and private sectors.

Only a few states have passed adequate laws granting unionization and collective bargaining rights to state and local government employees. As an aid to public employee collective bargaining, some of these laws have incorporated such special techniques as in-depth mediation and conciliation, fact-finding, and arbitration when mutually agreed upon by the parties.

A number of states have on the contrary passed repressive legislation prohibiting or severely limiting employees of state and local government from engaging in collective bargaining, and some actually impose severe penalties upon public employees engaging in concerted activity in support of legitimate goals. This type of repressive legislation has basically failed. It has not served as a deterrent to strikes by public employees, but rather has led to strikes and made them more difficult to resolve. In addition to restrictive legislation, the frequent use of court injunctions against worker concerted activity is destructive of the legitimate representation efforts of employees. Therefore be it

RESOLVED: That the AFL-CIO and each of its constituent organizations shall seek legislation at the federal, state and local levels:

1. Repealing repressive laws inhibiting the rights of state and local government employees to organize and bargain collectively.

2. Assuring employees of state and local government of procedures, similar to that existing in private industry, for the recognition of unions as exclusive bargaining agents and for the processing of unfair labor practice charges, and

3. Guaranteeing true collective bargaining rights for state and local government employees, enabling them to negotiate ef-

fectively concerning wages, hours, and all conditions of employment, including union security.

Implementation of Fire Research and Safety Act of 1968

WHEREAS, The Congress of the United States has enacted Public Law 90-259, the Fire Research and Safety Act of 1968 which provides for a National Commission on Fire Prevention and Control, and

WHEREAS, The Congress has made no appropriation of funds to implement this law, and

WHEREAS, The United States is now the only major country in the world without a national commission on fire safety, and

WHEREAS, It is in the vital interest of the people of this country that this nation carry on an extensive program of fire research and safety as well as educational and training programs, fire safety principles in building construction and improved programs of fire prevention; therefore, be it

RESOLVED: That the AFL-CIO actively support legislation in the Congress of the United States to implement the Fire Research and Safety Act of 1968, by the appropriation of suitable funds which would include the funds necessary for the establishment of a National Commission on Fire Prevention and Control.

Extension of Title VII Coverage to State, County and Municipal Employees

WHEREAS, State, county and municipal employers have been found by public unions and by the U.S. Civil Rights Commission in a comprehensive study to engage in flagrant discriminatory practices against minority-group individuals, and

WHEREAS, The U.S. Civil Rights Commission has reported, furthermore, that these jurisdictions have shown so little interest in correcting this disgraceful situation that most "have failed to establish even rudimentary procedures to determine whether minority group members are assured equal employment opportunity," therefore, be it

RESOLVED: That the AFL-CIO and each of its constituent bodies work toward coverage of state, county and municipal employees by Title VII of the Civil Rights Act of 1964, as provided by S 2453, proposed by Senator Harrison Williams and others.

Public Career Training

WHEREAS, The concepts incorporated in the proposed program for Public Service Careers constitutes an important step forward in the anti-poverty program, and

WHEREAS, These proposals include some valuable objectives such as career ladders, restructure of civil service jobs, priorities for upgrading and full pay for work study programs, and

WHEREAS, These proposals also include other provisions which weaken and limit the effect of the objectives of Public Service Career Programs; therefore, be it

RESOLVED: That we urge a re-draft of the present Public Service Career proposal to include:

1. Removal of the limitation of sponsorship eligibility to government agencies, which would prevent a representative union from developing or continuing a manpower training program.
2. Approval of the collective bargaining agency to the training program and a provision for adherence to the terms and conditions of employment of the collective bargaining contract;
3. Revision of the upgrading provisions, which now are coupled in all cases with training for three entry level personnel in proportion of each upgrading;
4. Revision of the employees eligible for upgrading, which now threatens the principle of seniority because eligible employees are those classified as "near poverty";
5. Provisions for the opportunity to acquire necessary academic skills in the upgrading program;
6. A guarantee that every employee who successfully completes upgrading training will be upgraded.

LABOR-MANAGEMENT RELATIONS

Organizing the Unorganized

Underlying every union program is the knowledge that success is related to the strength and vigor of the labor movement. An indispensable ingredient of that strength, at any given time, is the state of union growth.

It is not, of course, just in terms of ability to carry out programs that organized labor is concerned about growth. More basic is the historic mission to advance the welfare of working people, organized and non-organized alike.

A clear indication of Labor's commitment to the needs of those outside union ranks is the continuing AFL-CIO effort to increase the national minimum wage, to expose violations of the Fair Labor Standards Act, and to expand its coverage. Labor's most effective means of helping non-union employees, however, is to bring them into union membership.

From its early days, therefore, American Labor has recognized the prime importance of organizing unorganized workers. Today that is still a primary union objective.

In pursuit of that goal, AFL-CIO affiliates have been devoting more resources and attention to organizing. Some international unions have added to the size of their organizing staffs; some unions have conducted, either through their own facilities or in cooperation with the AFL-CIO, special training programs for organizing personnel. AFL-CIO central bodies, both state and local, have initiated, or improved, programs of organizing assistance to their affiliates while local union officers and members in many areas have responded to the call for participation in the organizing task.

Throughout the labor movement, there is a growing awareness that organizing, today, requires an input of skill and excellence that is second to no phase of trade unionism. In addition, the degree of organizing cooperation among AFL-CIO unions is probably at the highest point since merger. In strategic locations around the nation, representatives of AFL-CIO unions are taking part in cooperative organizing programs, under the coordinating impetus of AFL-CIO. These coordinated organizing efforts are being conducted along industry lines, as well as on a geographical basis.

While organizing emphasis and cooperation among unions have increased, there has also been a regrettable rise in the intensity and dimension of employer opposition. This mounting resistance is reflected in the proliferation of "labor consultants", in heightened demands of professional labor-haters for wholesale revision of the national labor legislation, and in the spiralling increase in unfair labor practices committed by employers during organizing campaigns. Recently, for at least the third time in four years, the Chairman of the National Labor Relations Board publicly deplored the fact that "some parts of the American community and their lawyers" continue to wage an unremitting and relentless battle against the national labor policy of promoting free collective bargaining and the exercise of organizing rights.

Despite such opposition, working men and women have continued to choose collective bargaining as the way to meet their problems on-the-job and elsewhere. No matter how formidable the obstacles or coercive the resistance, working men and women taking part in collective bargaining elections conducted by NLRB continue to "go union" most of the time.

In the public sector, with the issuance of President Kennedy's Executive Order 10988 in 1961, union growth increased. In the past three years the advance has been remarkable. More than half the employees of the federal government are now covered by union negotiated agreements, while in state and local employment unprecedented gains have been registered. Union membership among public employees stands at the highest point in history.

In keeping with organized labor's sense of mission, AFL-CIO unions must be especially sensitive to the needs of those Americans who work and live in conditions that are intolerable in a society truly concerned with the well being of its members. Any honest reading of the record establishes the fact that AFL-CIO unions have shown that sensitivity, not so much in news-making statements, but in organizing deeds and in collective bargaining achievements.

From the most to the least, workers still must turn to collective action to solve common problems and attain common goals. Wherever workers have come forth to demand their organizing rights, AFL-CIO unions are there, first and foremost. Whether they be black hospital workers in South Carolina facing Sherman tanks and state militia; municipal employees in Tennessee or Texas facing hostile city officials and an atmosphere of murderous hatred; Mexican-American and Filipino farm workers in California beset by the power structure of that state's biggest industry, agriculture, buttressed in its vicious opposition to the union by the radical Right—wherever they are, and whoever they are, they have found AFL-CIO unions

there, where the action is. The roster of AFL-CIO unions that have played significant roles in these struggles, that have come and stayed beyond the first blush of publicity, is virtually an all-inclusive one.

And when the workers share different levels of employment skill, whether professional engineers in New Jersey, college professors in Illinois, or medical technicians in Missouri, their cause in AFL-CIO's. It is a matter of pride and satisfaction to AFL-CIO unions that, with increased frequency, such workers are turning to them for guidance, assistance and affiliation.

Organizing the unorganized is one area of trade unionism for which no terminal date can be fixed. The mission will be accomplished only when all who want and need the benefits of collective bargaining obtain them. That is the ultimate goal. Therefore, be it

RESOLVED: 1. All AFL-CIO affiliates should continually analyze and reassess their programs and activities with a view to improving their own effectiveness in direct organizing efforts or in supporting roles.

2. Affiliated unions should commit the highest possible level of resources, including adequately trained organizing specialists, to the organizing mission.

3. AFL-CIO affiliates should provide all possible assistance in those organizing challenges that command the total support of the labor movement—among farmworkers, the disadvantaged, the working poor, professional employees, unorganized workers in areas of the nation where employer opposition combines with unique geographical and regional factors to add special organizing impediments

4. We call on all affiliates to actively participate, or in all other ways support, AFL-CIO sponsored cooperative organizing programs, recognizing that such programs are not only an effective method of organizing but often, today, the necessary organizing approach.

Collective Bargaining

Collective bargaining is the proven mechanism through which workers have a voice in establishing the conditions of employment. It fosters industrial democracy at the work-place, instead of autocracy or paternalism. It makes an essential contribution to the economic well-being of the entire nation, by helping to raise wages and improve the fringe benefits of organized workers. It contributes to higher living standards for all wage and salary

earners and to expanding consumer markets, which are the base of the American economy.

Time and again, collective bargaining has been challenged and has proved its vitality, ingenuity and flexibility. In the past quarter of a century of rapid and radical changes in technology—with changing production methods, reduced labor requirements, shifts in job skills, increased business mergers and changes in industry location—collective bargaining has led the way in the development of practical and workable procedures to deal with radical industrial changes at the work-place. In tens of thousands of labor-management agreements, in a wide variety of different industries and occupations, collective bargaining has provided measures for humanizing the impact of technological change.

Collective bargaining is the only way wage and salary earners can attempt to achieve a fair share of the benefits of industrial progress. It has contributed substantially to wage levels and job security. It has established orderly procedures for resolving grievances, reducing hours of work, attaining paid vacations and holidays, health-welfare and pension plans, safety standards, supplemental unemployment benefits and work guarantees.

Confronted by the increase in business mergers and growth of giant, multiplant corporations, whose employees are represented by several unions, there have been increased efforts to strengthen and coordinate organized labor's collective bargaining, through voluntary agreements among the affected unions.

It is a tribute to the collective bargaining process, with all of its human imperfections, that great advances have been achieved with a high degree of industrial peace. In recent years, less than three-tenths of one percent of available working time has been lost due to strikes or lockout.

In a country of continental size, collective bargaining has developed workable structures and procedures to meet the needs of different wage and salary earner groups in America's great variety of industries, occupations, trades and labor markets. About 150,000 collective bargaining agreements between tens of thousands of employers and the 121 national and international unions of the AFL-CIO and their estimated 60,000 local unions cover millions of workers across the length and breadth of the country. No single formula for wage and fringe benefit determination can possibly be applied and enforced in the multitude of differing situations.

This flexibility and adaptability largely accounts for the successful spread of collective bargaining. In recent years, it has been expanding significantly among government employees—federal, state and local—and also among such diverse groups as schools teachers, retail sales clerks, hospital employees and serv-

ice workers. There is increasing public awareness that the popular TV actor, motion picture star, symphony orchestra musician and newspaper reporter are probably union members, protected by collective bargaining contracts, as well as workers in industrial factories, construction, printing, the railroads and airlines and, after years of effort, workers on the nation's farms.

Despite its record of positive accomplishments, attacks on collective bargaining continue. The enemies of organized labor seek to weaken and destroy collective bargaining at the same time that they seek to undermine unions. Through so-called "right-to-work" laws, well-financed programs that seek to alienate workers from unions, and through propaganda for anti-trust regulations of unions and compulsory arbitration, there are attempts to hamper unions and to restrict the ability of organized labor to engage in effective collective bargaining.

In addition, collective bargaining is inhibited by lack of legal protection in a number of areas. Farm workers are still denied the basic right to bargain over wages and condition of employment. Therefore, be it

RESOLVED: The AFL-CIO and its affiliated unions are determined to advance collective bargaining as a major bulwark of a free society. We rededicate ourselves to preserve and extend the right of working men and women to organize and freely negotiate agreements with their employers, concerning the conditions of employment.

We will work for the continued extension of collective bargaining to all wage and salary workers.

We will continue to press for wage and salary increases to offset rising living costs and to advance buying power. We reiterate our conviction that wage and salary earners deserve to share equitably in the rising productive potential of the nation and to achieve a greater share in the distribution of income.

We will continue to seek improvement in conditions of work. We will seek to advance the security and welfare of workers through improved job security programs, including better health-welfare plans, improved pensions, training and transfer programs, as well as new programs for guaranteeing employment and improved supplemental unemployment benefits.

We will continue to support the voluntary efforts of affiliated unions to coordinate their bargaining with conglomerate firms and with firms in the same industry.

We will also continue our attempts to reduce working hours through reductions in scheduled hours; as well as longer vacations, additional paid holidays and other increases in leisure.

We seek these collective bargaining objectives to improve American working and living standards and to bring a more equitable distribution of the fruits of our country's productive power to the working men and women of the United States.

Collective Bargaining Rights for Employees of Universities

WHEREAS, Higher education is a growing enterprise in our nation, and

WHEREAS, Colleges and universities are expanding and substantially increasing the number of their employees, and

WHEREAS, Large numbers of college and university employees are denied the full rights to unionization and collective bargaining; therefore, be it

RESOLVED: That the AFL-CIO urge the NLRB to assume jurisdiction over the employees of institutions of higher education whether or not those institutions are operated on a "not-for-profit" basis.

NLRA Coverage for Hospital and Nursing Home Employees

WHEREAS, the use of hospitals and nursing homes has vastly increased and they have expanded their facilities and increased the number of their employees, and

WHEREAS, Several hundred thousand employees of hospitals and nursing homes are still not protected in their right to unionization because of the specific exclusion of non-profit hospitals under the National Labor Relations Act and because of the failure of the NLRB to assert jurisdiction over non-profit nursing homes, and

WHEREAS, Employees of hospitals and nursing homes are among the lowest paid working men and women in our nation while making a tremendous contribution to its welfare; therefore, be it

RESOLVED: That the AFL-CIO increase its efforts to secure NLRA coverage for the employees of non-profit hospitals and continue to urge the NLRB to assume jurisdiction over non-profit nursing homes.

Barring Labor Law Violators from Receiving Government Contracts

WHEREAS, The entire nation has been shocked by the vicious, unrelenting coercion with which J. P. Stevens & Co. has opposed the efforts of its employees to organize and build a union of their own. But Stevens is not the only offender. The ruthless opposition of other textile employers to unionization has been documented in case after case by the National Labor Relations Board, and

WHEREAS, Thousands of workers in other industries have likewise been denied the right to organize by venal employers who boldly and flagrantly violate the National Labor Relations Act. These workers are being denied a right which forms the keystone of American industrial democracy—the right of working men and women to associate freely to build effective unions. This right is a basic freedom protected by the Constitution of the United States in the same way the Constitution guarantees to all men the right to be free from discrimination because of race, religion or national origin, and

WHEREAS, The nation's attention has been sharply focused on the evils of racial discrimination in the last decade. We have been made aware of the destruction of men's souls that can result from this pernicious practice. Congress has legislated to make a reality of the right guaranteed in the Constitution to be free of racial discrimination and previous Presidents have added the power of the Executive Department to this struggle. They have done so by acting decisively to protect from racial discrimination government employees, persons involved in government programs and those employed by private contractors to work on government orders. Executive orders have been issued to achieve these ends, and

WHEREAS, Meanwhile, nothing is being done by the Executive Department to protect employees of Stevens and other union-busting firms, who are working on government contracts, from the discrimination practiced against them when they seek to exercise their right to form a union. These employers continue to be rewarded by the United States with lucrative defense contracts despite the fact that the same government has branded them as lawbreakers for having deprived their workers of one of the basic civil rights—the right to organize. In this regard, it is significant to note that Stevens alone sold \$130-million worth of merchandise to the United States Government in fiscal 1966 and 1967, and

WHEREAS, The labor movement has strongly condemned this state of affairs. It has made it clear that if an employer seeks to profit from government contracts, it is only basic justice to

require him to give assurances that he, like the government he is working for, must respect all the civil rights of the workers who make the products that generate these profits. The AFL-CIO endeavored to implement this policy by appointing a committee with President Johnson to urge him to take action to bar flagrant labor law violators from bidding on and obtaining lucrative government contracts. The committee met with President Johnson; it explained the problem; it impressed upon him the need for action. But no action has been taken and J. P. Stevens continues to violate the law and at the same time received government contracts; and, therefore be it

RESOLVED: That we call upon the President of the United States to issue an executive order establishing the policy that flagrant labor law violators are no longer qualified to receive government contracts, and be it further

RESOLVED: That we call upon the President to promulgate adequate regulations, consistent with our nation's military commitments, to implement that policy.

Coordinated Bargaining With General Electric and Westinghouse

Three years ago, the AFL-CIO unions which have contracts with the two giants of the electrical industry, General Electric Co. and Westinghouse Corp., formed a joint committee under the chairmanship of AFL-CIO President George Meany in order to establish common goals and coordinate their bargaining efforts.

This first large-scale introduction of coordinated bargaining was a success. It brought to an end the traditional GE practice of playing off one union against another. It broke the pattern of "Boulwareism" by winning better terms than GE's so-called "first and final offer."

The contracts negotiated three years ago will expire this month. Once again the unions are coordinating their efforts. Although the corporations are not challenging the validity of coordination, as they did in 1966, neither are they moving to correct long-standing shortcomings in existing contracts.

It is clear that only through a united effort, as established by the AFL-CIO Coordinated Bargaining Committee, can justice be assured for the employees of these huge corporations. Therefore, be it

RESOLVED: We commend the unions which comprise the AFL-CIO Coordinated Bargaining Committee for their trade union solidarity, and pledge our wholehearted support for their

continuing efforts to achieve for General Electric and Westinghouse workers the economic progress, the contract safeguards and the union security enjoyed by workers in other segments of our economy.

Subcontracting Government Printing

WHEREAS, The federal government through the public printer is probably the largest subcontractor of printing in the United States, and

WHEREAS, A very large proportion goes to unfair shops denying work to union printing craftsmen, and

WHEREAS, Pressure should be brought to bear on the public printer to channel all contracted-out work into fair printing shops, Therefore, be it

RESOLVED: That the AFL-CIO, by contact with government representatives and any other means available, endeavor to have such work diverted and directed to fair employers under union standards and union conditions of employment representing fair wages and working conditions.

SOCIAL SECURITY AND COMMUNITY SERVICES

Old Age, Survivors, Disability and Health Insurance

There is almost universal agreement that the Social Security System has operated successfully over the more than 30 years of its existence. It enjoys overwhelming public acceptance and few dispute its administrative efficiency. Organized labor can be justifiably proud of its contribution to the establishment of this cornerstone of our social insurance system. We cannot, however, rest content, for in spite of 30 years of effort, social security beneficiaries still do not have adequate economic security.

40% of our older population is poor or near-poor and more than 5 million of them have yearly incomes below the poverty level.

Widows and other aged women living alone are particularly disadvantaged economically. Six out of ten of them have incomes below the poverty line.

Social Security benefits paid in April of 1969 averaged \$99.42 a month for the retired aged worker, \$51.42 for the spouse, and \$86.70 for the aged widow.

The gap between the incomes and living standards of older people and those of the rest of the population is getting worse rather than better. The individual who retired in 1954 is receiving a higher Social Security benefit today but the buying power of this higher benefit is worth less than the benefit he was receiving 15 years ago.

Though Medicare has been of great benefit to the aged, the program pays less than one-half of their health care costs.

Disabled beneficiaries are still not covered by Medicare although they experience health costs $2\frac{1}{2}$ to 3 times that of the aged and 5 to 6 times that of the general population.

These facts represent a national challenge. But the challenge of economic security for the aged, disabled, and their families cannot be met by tinkering with the present provisions of the law. What is needed is a bold program of reform. Therefore be it

RESOLVED: The AFL-CIO urges the following major improvements in the Social Security Act.

That the Social Security benefits be increased 50% and benefits adjusted.

Loopholes in the tax structure provide financial assistance to wealthy hobby-farmers, who use their ownership of agricultural assets as tax shelters.

Yet there is no comprehensive program for the retraining and re-employment of those displaced from agriculture.

While rural redevelopment plans have been enacted to counter the decay of many small rural towns that have lost their economic base, the resources appropriated are still too scant to meet the needs of such depressed communities.

AFL-CIO's support for a major national effort to aid rural Americans reflects our belief that rural people deserve to share equitably in the economy's progress. It is also based on the evident fact that solving the urban crisis partly depends on ability to improve living standards in rural areas. Therefore be it

RESOLVED: 1. We recognize that the unique problems of agriculture require government aid to help many farmers obtain a fair return for their production. However, a reasonable ceiling should be placed on the amount of federal aid paid to any farm. Excessive payments to large and profitable farm enterprises cannot be justified.

2. Since most farmers must sell their products in markets dominated by a few buyers who enjoy superior bargaining power, we support appropriate efforts by farmers to bargain collectively for a reasonable price. By this means, dependence on government income-maintenance outlays should be reduced.

3. We urge Congress to enact the tax loophole-closing proposal of S.500 introduced by Senator Metcalf and endorsed by a bi-partisan group of 26 Senators, to end this special benefit to the tax-loss hobby farmers, while assuring that legitimate farm operators will not be penalized.

4. The denial to farm workers of protection, long accorded other workers under federal and state laws, must end. Farm workers must be included in the coverage of the National Labor Relations Act, the Fair Labor Standards Act, state unemployment and workmen's compensation laws and other federal and state protective and social welfare legislation.

5. Special programs must be developed to provide rural inhabitants, and especially migratory workers and their families, with adequate education and library facilities, the opportunity for decent housing, health-care facilities and day-care centers.

6. Continued failure to adequately cope with the ill-health, malnutrition, and even hunger in rural areas is not tolerable. A federal welfare system is essential or, at least, adoption of adequate minimum federal welfare standards, with sufficient federal financing. Food distribution programs must be federally administered wherever states and local communities refuse to cooperate and they should be dedicated to meeting human needs.

7. To encourage job creation and improve the quality of rural life, the AFL-CIO supports expansion of the approach of the Appalachia regional program, the Economic Development Act and other federal programs to accelerate the building of highways, hospitals, schools, housing, manpower training and other community betterment projects in rural America.

8. Discrimination against minority groups must be ended.

9. We urge the initiation of a federally supported public-service employment program to create useful jobs for the hard-core unemployed and seriously under-employed in rural, as well as urban areas. Such a program would engage the unemployed at useful tasks, restore self-respect and teach useful skills.

Unemployment Insurance

The President in his unemployment insurance message to Congress on July 8, 1969, said "The best time to strengthen our unemployment insurance system is during a period of relatively full employment."

Strengthening the system has been a goal of organized labor for more than a quarter of a century. Despite vigorous and continued efforts by AFL-CIO state bodies to improve state programs, the system is today inadequate and obsolete. This experience at the state level has convinced us that comprehensive federal legislation is essential if the system is to provide effective protection to jobless workers and their families.

The President's failure to call for federal minimum standards to improve the system can only result in jobless workers, their families, their communities, and the nation reliving the experiences of the late 1950's. President Eisenhower's repeated pleas to the states for unemployment compensation improvements went unheeded at that time, and there is no reason to assume the requests of the present Administration will be afforded any greater attention.

Each year between 1954 and 1958 the President of the United States called upon the state legislatures to amend their unemployment insurance laws.

He specifically urged that (1) protection be extended to more workers; (2) benefits be increased so that the great majority of covered workers could receive a weekly benefit equal to one-half their average weekly wage; and (3) unemployed workers be able to draw benefits for a period of twenty-six weeks if needed.

When President Eisenhower made this plea, no state met all these objectives. When he left office only one state met them. Today—fifteen years since his original plea and nine years since he left office—only two states are close to meeting these objectives.

This record of dismal failures on the part of the states cannot be overlooked. The clearest lesson to be learned from this past experience is that the states are unable or unwilling to modernize the federal-state system of unemployment compensation.

The system has been deteriorating for years. The recessions of 1958 and 1961 both required the passage of emergency patchwork unemployment insurance legislation. Eight years of economic growth have failed to eliminate the need for emergency measures to shore up the system. Less than six months ago, the Department of Labor had to request Congress for more emergency legislation in order to obtain the revenue needed to operate the program at its present level for the next few years.

The AFL-CIO is convinced that this record alone justifies the assumption of a stronger federal role in the unemployment insurance system. However, additional indications are also available that point to the need for federal action if the system is to be improved.

At the present time, twenty-five percent of the American workforce—sixteen to eighteen million workers—are not covered by the program.

The existing federal-state system is moving away from its basic objective of providing minimum income protection to the unemployed. Ten years ago, more than half the unemployed drew some benefit from the system. Today, only three out of ten unemployed workers receive any benefit from it.

Weekly benefits—despite assurances given Congress in 1966 that the states could be relied upon to improve them—are maintained at such woefully inadequate levels that in a majority of states jobless workers dependent on the program are unable to

maintain their families at even a poverty level of subsistence. The relationship between the maximum weekly benefit available under state laws and the state average weekly wage has been declining for years. In the 1930's, in the majority of states, the maximum weekly unemployment insurance benefit was established at a level equal to between 60 and 66 $\frac{2}{3}$ percent of the state average weekly wage. Today, the maximum weekly unemployment insurance benefit in thirty states is less than 50 percent of the statewide average weekly wage. In some states, the maximum weekly benefit has dropped to a level equal to little more than 30 percent of the state average weekly wage.

The problem of inadequate benefit levels is compounded by the additional neglect of the federal government in the areas of eligibility, disqualifications, and financing. Under existing arrangements, eligibility and disqualification provisions can be and are manipulated to deny the meager protection of the program to many workers.

The taxable wage base established in 1939 permits approximately one-half the tax base—wages in covered employment—to escape the impact of the tax. Experience rating and zero tax rates are also utilized to deprive the system of revenue. The erosion of the tax base and the destruction of the benefit structure over the past thirty years are directly related. These developments can be traced to the abdication of federal responsibility for maintaining an adequate unemployment compensation program.

The Administration's proposals to strengthen the system will do little to achieve this desired goal unless they are substantially improved. Therefore, be it

RESOLVED: The AFL-CIO reaffirms its support for a comprehensive reorganization and fundamental improvement of the unemployment insurance system under a single federal program. Pending such reorganization, we urge Congress to enact without delay unemployment insurance legislation to provide uniform minimum standards for benefits, duration, eligibility, disqualifications, and genuine tripartite representation on advisory committees, commissions, and appeals boards.

To achieve these objectives the AFL-CIO urges the Congress to:

extend coverage to all wage and salary workers including workers in small firms—employers of one or more workers at any time—domestic workers, agricultural workers, workers employed by nonprofit organizations, and workers employed by state and local governments

establish reasonable qualifying requirements (maximum limits for state laws should not exceed 20 weeks of work or its equivalent)

require duration provisions in state laws that would maintain the original concept of a 6 month benefit period based on a 5 month work period (26 weeks duration for 20 weeks of work)

encourage the states to eliminate the waiting week by requiring it be compensated retroactively after a few weeks of unemployment.

limit disqualifications in all cases to a fixed period (the maximum period to be established at six weeks)

prohibit the disqualification of a worker participating in a training program

prohibit application of a state disqualification period in claims involving labor dispute issues

prohibit the reduction or cancellation of a workers benefit rights or base period wages

enact minimum benefit standards that will permit the application of the following principles for establishing state benefit levels:

1. The weekly benefit amount should replace a specified portion of the individual worker's full-time weekly wage, preferably not less than $66\frac{2}{3}$ percent or $1/20$ of high-quarter earnings. This wage replacement principle should be applied to the great majority of covered workers. Individual benefits of $66\frac{2}{3}$ percent of weekly wage-loss are needed in most cases to cover non-deferrable living expenses and maintain normal family living standards.

2. The base for computing benefit amounts should be the worker's full-time gross weekly earnings during those weeks of the base year when earnings were highest.

3. Dependent allowances may supplement an adequate basic benefit schedule, but they should be provided only as a specified flat increment per dependent, entirely separated from and supplemental to the basic benefit schedule.

improve the financing of the system by permitting reduced rates on a basis other than experience rating, prohibiting zero tax rates, and raising the taxable wage base, in steps,

to the same base used for purposes of financing Old-Age and Survivors Insurance.

Federal legislation should also be enacted to establish an extended benefit program on a continuing basis for long-term unemployed workers who have had a firm attachment to the labor force. This program should also provide adequate opportunity for such workers to obtain vocational guidance and training as well as other appropriate types of assistance needed to qualify them for suitable jobs.

Temporary Disability Insurance

The AFL-CIO has on previous occasions cited the need for amending the Social Security Act to provide protection against short-term as well as long-term disability. The problem of wage-loss stemming from non-occupational injury and illness is catastrophic for many of the nation's workers and their families.

Workmen's compensation is designed to protect workers who are victims of occupational injury or illness. Unemployment compensation is designed to protect jobless workers during periods of temporary unemployment. However, workers who are temporarily jobless due to a non-occupational illness or injury are left without income protection under any federal law and most state laws.

Collectively bargained insurance programs provide some workers which temporary disability insurance protection. Unilaterally established employer programs protect other workers. However, only five states and Puerto Rico have afforded this type of wage-loss protection to workers temporarily disabled due to non-occupational illness or injury. Hawaii and Puerto Rico have only recently established these programs.

Proposals for state temporary disability insurance laws should be carefully evaluated in the light of organized labor's objectives of providing adequate protection. We do not favor worker contributions in programs involving employer experience rating or "merit rating."

The AFL-CIO favors coverage by exclusive state funds thereby eliminating the profit motive from a program designed to give protection to workers and their families. This could be done through coordination with the unemployment compensation pro-

gram in any state, or the workmen's compensation program in the states that have their own fund. The utilization of private insurance is not an appropriate nor economical means of providing temporary disability protection under programs established by governmental action. Therefore, be it

RESOLVED: The AFL-CIO reaffirms its historical position favoring a federal program of temporary disability insurance integrated with the Social Security Program of old age, survivors, disability and health insurance. But, short of this goal, the establishment of state programs coordinated with state unemployment or workmen's compensation funds should be encouraged.

Workmen's Compensation

WHEREAS, Workmen's compensation, the nation's oldest form of social insurance, is still geared to the needs of a horse and buggy society, and

WHEREAS, The failure of state workmen's compensation programs to achieve their purpose of assured, prompt and adequate payment to injured workers and their families is a cruel fraud upon the workers who need this protection most. The failures of the patchwork of 52 diverse programs becomes more apparent each year. That is why we reaffirm AFL-CIO support for federal minimum standards for state workmen's compensation laws. These standards have been outlined in detail in resolutions of earlier conventions, and

WHEREAS, Income benefits are so inadequate that in a majority of states the maximum benefit is less than the poverty borderline, and a quarter of the workforce has no protection at all, and

WHEREAS, The retrogression of workmen's compensation has been precipitous. In 1940, the maximum benefit for temporary total disability equaled or exceeded 66 $\frac{2}{3}$ percent of the state average wage in all but 11 states, and was 50 percent or more in all states. Today only four states meet the figure and only 17 have a maximum as high as 50 percent, and

WHEREAS, The inadequacy of workmen's compensation benefits for more serious injuries is even worse. A worker permanently and totally disabled, or the family of a worker who is killed, can suffer a lifetime of poverty, and

WHEREAS, Limited medical care is another glaring deficiency. Money and time limits on medical care are still specified in the provisions of 18 state laws. Under these circumstances, some injured workers are forced to pay sizable amounts toward the cost of medical treatment for a work injury, and

WHEREAS, Some states completely deny either medical or income benefits in cases of occupational disease. The present controversy over the tragic fate of uranium miners vividly exemplifies the obsolescence of the present workmen's compensation system. Many of these miners are afflicted with lung cancer caused by the inhalation of random gas. However, only one state affords these workers the protection of its workmen's compensation program; therefore, be it

RESOLVED: Congress must at long last recognize that separate state systems of workmen's compensation, operated without federal participation of any kind, are not only incongruous in present-day America but are almost doomed to be inadequate. A federal system must be created, with these minimum provisions:

1. Compulsory coverage of all workers, regardless of occupation or the numerical size of the work-group.
2. Full protection for all forms of job-incurred accidents or ailments, including those which by nature may not manifest themselves until years later.
3. Weekly benefits of at least two-thirds normal full-time earnings.
4. No arbitrary or unrealistic schedules of medical or hospital fees.
5. Administrative safeguards to insure that every worker gets all that is due him.
6. Passage of H.R. 6780, workmen's compensation legislation introduced by Congressman Carl D. Perkins of Kentucky, Chairman of the House Committee on Education and Labor, would be a first step in the direction of establishing minimum federal workmen's compensation standards. We call upon the Congress to enact H.R. 6780 at the earliest possible date.
7. The AFL-CIO urges the Congress to enact without delay the pending amendments to the Longshoremen's and Harbor Workers' Compensation Act contained in H.R. 13389 and S.2487. Enactment of this legislation will restore this workmen's compensation law to its former and long-held position of pace-setter in the field of workmen's compensation.

Longshoremen's Act

WHEREAS, Longshoremen who are injured on the docks or on the ships in the course of their employment have always enjoyed a right to bring an action against the shipowner and the ship for damages resulting from the injuries, and

WHEREAS, In 1927, a compensation law was passed as between the longshoremen and their employers making compensation the exclusive remedy as between the longshoremen and the stevedore companies, their employers, but preserving the right to damages against the shipowner and the ship and providing further that the longshoreman is required to repay to his employer the value of the compensation received from any third party damage action against the shipowner or the vessel, and

WHEREAS, The amount payable under the Longshoremen's Act has become unconscionably inadequate and certain Congressmen and Senators have submitted a bill to increase the amount of weekly compensation and otherwise liberalize the compensation law as between the longshoreman and his stevedore employer, and

WHEREAS, The Secretary of Labor has expressed an intention to submit to the Congress a proposal which would eliminate actions against third parties, the shipowners and the vessels; completely all damage actions both against the shipowner and the employer and leave the longshoreman solely with his compensation remedy which is utterly inadequate to compensate a man for injuries suffered, and

WHEREAS, Only seven per cent of American commerce, import and export, is handled by American flag ships and ninety-three per cent is handled by foreign flag ships so that the real benefit will accrue to the foreign flag operators, and

WHEREAS, The injured longshoreman will be irreparably damaged and impoverished as a result of this legislation; therefore, be it

RESOLVED: That the AFL-CIO Convention goes on record as opposing any legislation which would abolish the damage actions against third parties, the shipowners and the vessels; and that the Longshoremen's and Harbor Workers' Compensation Act be liberalized so that it becomes realistic.

Public Assistance

In the present atmosphere of concern over how best to change our inadequate and unjust welfare system it is essential to remember who the people are that will be affected. Less than one-third of the nation's poor are not receiving any assistance at all,

and of the 9.4 million who receive federal welfare aid, 2.8 million are either blind, aged, or disabled and 4.9 million are children. Of the approximately 1½ million remaining adults, almost all are mothers with children, and only around 50,000 are employable males.

A widely held myth is that this proportionately small number of adults who are not either blind, aged, or totally disabled are not working because they lack the incentive. A system which begrudgingly allows a national average payment of less than \$10.00 a week—ranging from \$2.20 a week in Mississippi to \$14.50 a week in New York—clearly is not an incentive to voluntary idleness. What is lacking is not the incentive to work, but adequate training, day-care facilities and job opportunities.

No one can live anywhere on \$2.20 a week—or \$14.50 for that matter. The first and most obvious change that is necessary in our welfare program is simply more money—an increase in the national weekly \$10.00 average living allowance. A federalized program, providing assistance in an amount which will lift people out of poverty is long overdue.

The present system of providing training and securing jobs for people on assistance—the WIN program—has been both defective and inadequate. Aside from the coercive nature of the program, which we deplore, the original intentions appear to be sound and reasonable. However, the training has been inadequate, the few jobs people have been moved into rarely generate enough income to meet family needs, the "adequate" day care has not been provided for mothers with children, and in most areas, there are many more volunteers for participation in the WIN program, despite all its limitations, than there are openings.

A voluntary program that gives decent jobs and better income would provide sound motivation and more lasting improvements than a program tinged with compulsion and distrust. We favor exception from mandatory participation in work or training for mothers of pre-school children or children attending school except during the school hours.

A major step toward restoring dignity to public welfare recipients was taken by the past administration. A policy was initiated which would eliminate demeaning, detailed investigations of public assistance applicants. A simplified and more dignified method of establishing eligibility is being tested in the states and the decision will be made next year as to whether it will be uniformly used.

Although federal legislation now allows extending assistance to facilities in need because of the father's unemployment, less than half the states that the father be absent from the home before any assistance can be given to his family.

Many of the inequities in the present system can and should be eliminated. However, the basic injustices will remain until public assistance is made a federal program, with federal funding of welfare costs, federal standards of eligibility and nationwide minimum standards of payments. Therefore be it

RESOLVED: We urge the establishment of a federal welfare system. Until such action is taken, the present system must be along the following lines:

The AFL-CIO Congress to require the states to meet the level of assistance that they have established as necessary to meet minimum needs.

The administration of public assistance must be humanized by the immediate adoption of the simplified method of determining eligibility.

The Congress should make it mandatory that all states provide assistance to needy families with an unemployed parent.

The AFL-CIO urges that mothers of pre-school children be exempt from any work-training program, and those with school-age children only be required to participate during school hours.

Medicaid

With the passage of Medicaid the nation committed itself to making comprehensive health care available to all needy and medically needy Americans. The program has not come close to achieving this goal and we still have a tremendous health gap between the nation's poor and non-poor.

The reasons for the lack of success of this program are inherent in the law. The basic reason is that Medicaid is not a program so much as it is a mechanism of pouring money into the existing system of health care.

From the start, the financing provisions of the law were inadequate to accomplish the objective of providing health care to persons who cannot afford it because they failed to provide federal participation for medical assistance for persons between the ages of 21 and 65. Congress further limited the program in the 1967 amendments both by setting unrealistically low income limits for participation and narrowing the scope of services required for the medically needy. This broke faith with those states which, relying on Federal support, had committed themselves to assure adequate health care to all people who could not afford it.

In 1969 the Congress—responding to the escalating costs of medical care, limited the Medicaid program even further. The

states had been required to come into the program offering at least the level of services that they had been prior to Medicaid. The federal money from the Medicaid law was to induce the states to bring the level of services up to where comprehensive health care would be available to all needy and medically needy people by 1975. Congress relieved the states of this responsibility by passing legislation which allows the states to reduce services now available, and postpones for two years any requirement of progress toward the original goal of the program. As there is no protection in the Federal law for those people termed medically needy—many states are, in many cases, simply eliminating large numbers from being eligible to receive any care at all.

Medicaid has effectively demonstrated the runaway cost of health care in the country. The answer to these uncontrolled costs is not to designate large groups of people to whom health care should not be available, but to establish methods of reasonable and effective cost controls.

A task force has been appointed by Secretary Finch to seek solutions to the problems highlighted by the Medicaid program. They have been given a mandate to seek solutions to problems in the area of management, eligibility determinations and effectiveness of use. As Medicaid costs and expenditures cannot be viewed in isolation but in the context of the total health care system, hopefully the task force will not only make recommendations to assure that the poor will receive decent health care, but also contribute to the organization of the total health care system; therefore be it

RESOLVED: The AFL-CIO endorses National Health Insurance as the only way of assuring quality health care to all people.

Until such time as we have a National Health Insurance Plan, we urge Congress to restore Medicaid's original objective of providing comprehensive services for all needy and medically needy people.

The AFL-CIO supports the adoption of simplified procedures for establishing financial qualification for Medicaid, designed to remove the administrative complexity and the stigma attached to the present system of establishing eligibility.

We urge Congress to establish uniform national standards of eligibility and quality of service available to recipients.

We recommend that the Medicaid program be used to encourage and develop better patterns of organization and delivery of health care.

Mental Health

The Community Mental Health Center Program has in less than five years demonstrated its effectiveness in bringing mental health services to people who previously had no access to such services. This new program to combat and prevent mental illness represents a significant and important step forward especially in regard to the Federal role and participation in the financing of mental health care. By June 1970, about 500 centers will have been funded to provide services for more than 75 million persons in communities ranging from the poorest counties of Appalachia to urban areas and the suburban fringes of the country's major cities.

The Community Mental Health Center Program is therefore having a forceful impact on the quality of life in our country and represents a major development toward a rational comprehensive network of health services for all Americans. It can be a vital force in the AFL-CIO's campaign to alter and improve the traditional patterns of the organization, delivery and financing of health care.

It is now evident that if these mental health centers are to continue to develop viable programs of high quality mental health services, reflecting and responsive to community needs, some changes are needed to meet problems which have emerged. Existing centers faced with termination of Federal support are desperately seeking State and local fiscal resources as well as private sources to enable them to continue services without curtailment and, in some cases, to keep from closing their doors completely.

Future programs are in jeopardy and they will encounter similar difficulties unless Federal support is extended in amount, scope of costs supported and duration of support. Beyond this, State and local governments must develop continuing fiscal mechanisms through which they can contribute to and fulfill their fiscal responsibilities for these programs.

The disparities in resources and services in urban and rural poor areas are particularly acute. It is therefore desirable that special consideration be given to such communities to strengthen their capacities to plan for mental health services and to compete for Federal grant support. Moreover, in recognition that the urban and rural poor are in greatest need of community-based mental health services, preferential Federal funding should be provided for mental health center programs to serve them.

In negotiating for mental health benefits, all affiliates should give special attention to the potentialities of contracting for mental health services directly from community mental health centers. Where insurance benefits are negotiated, attention should

be given to assuring full and comprehensive coverage on a prepayment basis with no financial deterrents to utilization for services provided by the mental health centers. Similarly, special attention should also be given to the potentialities of mental health programs which are components of or integrated with comprehensive health care plans, including those of union health centers.

Of particular concern are the alcohol and drug abuse programs as part of community mental health services. The Trade Union movement has long been concerned with the inadequacy of treatment and rehabilitation programs for alcoholics. In recent years the abuse of narcotics and other dangerous drugs has also become a major public health problem of national concern.

There is increasing recognition of the fact that the problem of alcohol and drug abuse represents the end product of many social, psychological and cultural forces rather than a purely criminal phenomenon. In this situation, legal deterrents have proved to be ineffective in preventing the significant growth in the abuse of their misuse.

Because of the complexity of the health, social, economic and legal problems surrounding the misuse of dangerous drugs such as marijuana, amphetamines, and others, as well as narcotics, the AFL-CIO supports efforts to evolve a national drug control program based on the actual facts, utilization of research findings and funding of additional research, rather than on myths and emotional judgments. Therefore, be it

RESOLVED: The AFL-CIO will vigorously support federal, state and local legislation to provide adequate additional funds for the continuing operations of community mental health centers and other programs that show promise of making comprehensive mental health services more widely available and accessible for all people.

That all affiliates be urged to work toward the provision of mental health care on a direct service basis through an organized setting such as the community mental health centers and through comprehensive health plans.

That central labor bodies are urged to lend their support to or to take leadership in developing citizen organizations to plan and promote better mental health programs and to encourage fuller use by trade unionists of community mental health facilities of all kinds and to encourage and to prepare labor representatives to serve effectively in community mental health efforts.

That affiliates are urged to work toward the expansion and adequate funding of Federal support of alcohol and drug abuse programs relying on community-based treatment and rehabilitation and to support the establishment of the degree of risk

in the use of dangerous drugs by medical and scientific evidence as the basic criterion on which legal proscription of drug use is to be defined and enforced.

Older and Retired Workers

There are today some 20 million people in this country who are over 65 and another 18 million between 55 and 64 years of age. In fact, the number of senior citizens over 65 exceeds the combined population of our 20 smallest states. Unfortunately, though life expectancy is increasing, to most of the elderly these added years are often bitter and meaningless.

Many workers enter retirement unprepared for the changes that they will face in this new phase of their lives. They must manage on reduced incomes, maintain health, contend with leisure time and strive against odds to continue to be useful and productive citizens. Similarly, older workers face severe problems in the later years before retirement. They often are at a disadvantage with respect to younger workers and face great difficulty in finding a job during periods of unemployment.

Large numbers of the aged would like to work and are capable of working. Forced retirement often results in a waste of skills and knowledge accumulated over many years of experience. Organized labor has opposed and will continue to oppose unilateral imposition of compulsory retirement by employers.

In order to better deal with these growing and important problems and to coordinate organized labor's efforts to resolve them, the President of the AFL-CIO has established a Technical Committee on Older and Retired Workers. This Committee is functioning on an ad hoc basis and will work closely with the AFL-CIO Department of Social Security in trying to formulate and support programs that will help meet the problems faced by millions of older and retired workers.

Of particular importance in this effort is the need to tap the reservoir of talent and experience and the mental and physical energy that abounds among our senior citizens. This is best accomplished by organization of effective retiree organizations. Greater organization of retirees could make a significant contribution to achieving the goal of organized labor.

To further this effort, the AFL-CIO has supported the growth of the National Council of Senior Citizens. This organization has worked closely with organized labor in behalf of social programs of benefits to the elderly and, indeed, for the welfare of all Americans, young and old alike.

Not only has the NCSC joined with the AFL-CIO and other groups in the campaign, for Medicare and for improved social security benefits, but this organization has stood shoulder to shoulder with the AFL-CIO and forward-looking groups in the struggle for meaningful civil rights legislation, the war on poverty, consumer protection, anti-pollution legislation and other measures for a better America. The NCSC is the only national senior citizens' organization that has joined with organized labor in fighting so-called "right to work" laws; therefore be it

RESOLVED: That the AFL-CIO urges all International Unions, local unions and State and Local Bodies to support the activities of and work with the AFL-CIO Technical Committee on Older and Retired Workers and to undertake and support programs to do the following:

Establish active Retired Members Clubs and affiliate them with the National Council of Senior Citizens.

Undertake pre-retirement planning courses that will better enable the worker to plan for retirement during his working years.

Work for retiree centers to help meet the needs of older people for education, recreational activities and social relationships.

Support national, state and local programs for opportunities for creative service to the community and nation and for political education and participation.

Medical Costs

The health of American workers and their families and the medical care that is available to them has been a matter of paramount concern to the American trade union movement. We seek to ensure this care for our members and their families through labor-management contracts and we seek adequate medical care for all Americans, including our own members, through necessary legislation.

The AFL-CIO is appalled by today's soaring costs of medical care.

This uncontrolled runaway escalation of medical costs must be halted.

The average cost of a hospital stay in 1968 was \$55.80, up 59 percent from 1963 when the cost was \$35.11. Moreover, the rate of increase has been accelerating. Hospital daily room charges in major metropolitan areas are in excess of \$100 a

day in some hospitals. In contrast, the average annual salary of employees in community hospitals on which the increase in hospital rates is frequently blamed has risen only 35 percent since 1963 to a still inadequate level of \$4,900. In sharp contrast, the average net income of physicians approximates \$40,000 and has been increasing by 10 percent annually in recent years.

While the rise in hospital costs is more dramatic, it should be understood that physicians control about 75 percent of hospital costs.

The physician decides whether a patient goes to a hospital or receives much less expensive but often equally or more effective treatment on an out-patient basis.

The physician determines if and when a patient should be hospitalized and for how long.

The physician decides what tests are to be performed by the hospital laboratory.

The physician usually prescribes the drugs provided by the hospital pharmacy.

Yet, the physician escapes all fiscal responsibility for his decisions. Typically, he uses the hospital as a resource for his ill patient at no cost to himself and without being accountable to the hospital as an organization. Typically, he relies on the hospital to perform certain laboratory and diagnostic tests which he is not equipped to perform in his own office. Too often so-called hospital utilization committees, set up to assure appropriate use of hospital facilities, are simply utilization justification committees.

The cost-plus method of reimbursing hospitals rewards these inefficiencies and invites duplication of expensive diagnostic and therapeutic equipment. Reimbursing physicians on a usual and customary fee basis invites fee escalation because fees are unilaterally determined by doctors. Fee-for-service is a piece rate system where physicians determine the number as well as the cost of services.

In contrast, the capitation method of paying physicians reverses the conventional economics of providing health services. Capitation means a fixed payment per month per person to pay for all the health services the person may need instead of a fee for each separate service. Instead of physicians and hospitals being paid for illness under fee-for-service, they are paid for comprehensive care which gives physicians and hospitals a motivation to select the most appropriate use of out-patient services, the hospital, the nursing home or home health service.

Capitation not only budgets the cost of health care for the consumer, but also provides a budget within which the physician or hospital must live. The capitation method of remunerating physicians and hospitals is the method utilized by the comprehensive group practice, prepayment plans to pay for physician and hospital services which method has contained costs more effectively than under the fee-for-service system. Therefore, be it

RESOLVED: That payment for medical services by union health and welfare programs, by Blue Cross-Blue Shield and by government under Medicare and Medicaid should be by capitation, and be it further

RESOLVED: 1. The AFL-CIO will press for negotiated fee schedules whereby health and welfare funds, voluntary health insurance and government programs may curtail the escalation in physician fees, such negotiated fee schedules to be accepted in full payment for services rendered by the medical profession.

2. The AFL-CIO will support governmental and voluntary efforts to institute systems of "peer review" whereby the medical treatment provided patients by their physicians shall be subject to review by a panel of highly qualified specialists as to the appropriateness of the treatment when viewed in the light of present-day standards of medical practice.

3. The AFL-CIO will support legislative and voluntary efforts to encourage more effective utilization of medical manpower and particularly programs designed to provide opportunities for training and promotion of paramedical personnel.

4. Because the decisions of physicians have such a great impact on hospital costs, hospital-based physicians, the hospital's medical director, and the heads of the various hospital departments should be full-time employees administratively responsible to the hospital.

5. Because of the wide variations in the cost of providing hospital services, high-cost hospitals should not be encouraged to expand and should not be eligible for Hill-Burton federal grants for new construction or modernization. Hospital reimbursement formulas under voluntary health insurance and under Medicare and Medicaid should be so designed as to reward the efficient and penalize the inefficient.

6. The artificial distinction between in-patient and out-patient health services perpetuated by separate payment mechanisms under voluntary health insurance and under Medicare should be eliminated by establishing a single system of financing both.

Collective Bargaining and Health

Bargaining for health benefits differs from bargaining for benefits in cash such as life insurance, disability insurance, sup-

plementary unemployment benefits or pensions. Health benefits must be spent for hospital and medical services. Life insurance, disability, SUB and pension benefits are paid in cash and how the benefits are allocated to meet the beneficiaries' needs is determined by the individual.

In order to maximize the benefits from health insurance, dental insurance, and drug and vision care prepayment programs, bargaining should take place on two levels: (1) bargaining with the employer for the necessary funds to provide the benefit, and (2) bargaining with physicians, hospitals, dentists, pharmacists and optometrists to assure a fair value for sums expended.

The experience of two score of years has amply demonstrated the fallacy of negotiating more and more money for health services without concern as to how such services are to be provided and how their cost can be contained. The principal problem that needs to be faced by organized labor is how the billions of negotiated health benefit dollars can be effectively utilized to bargain effectively with the providers of care for high quality services at reasonable cost. A starting point must be the recognition that the fee-for-service entrepreneurial system of delivering health services gives the medical and dental professions unilateral control over their incomes. Fee-for-service is a piece rate system in which both the price of each piece and the number of pieces of service are under control of the providers.

The AFL-CIO is convinced that health services should be provided for the benefit of the patient and not the provider.

In order to accomplish this goal, it is essential to bargain with the providers who are primarily organized on a local community basis. Health services are delivered in the local community by physicians, dentists, pharmacists, optometrists and hospitals for persons who live in the community. One of the most effective bargaining techniques is that of developing alternatives to the fee-for-service system, such as prepaid group practice plans which may be sponsored by consumers or by a broad based community organization. The AFL-CIO is actively cooperating with the Group Health Association of America to develop alternative health delivery systems in New Haven, Connecticut, Providence, Rhode Island, Cincinnati, Ohio, Nashville, Tennessee, Newark, New Jersey, Pittsburgh, Pennsylvania and Phoenix, Arizona.

Alternatives to the fee-for-service system are not, however, feasible unless members of organized labor are offered the opportunity of joining a widely organized and community sponsored health plan. Nor can negotiated dollars for health care under national and regional health insurance programs be an effective force for developing alternatives where all members are "locked in" under a Blue Cross-Blue Shield or indemnity insurance program. Therefore, be it

RESOLVED: Each state and local central body should organize a health committee to study alternatives to the fee-for-service health delivery systems.

State and local central bodies should be urged to explore in cooperation with other community groups, the possibility of organizing a pre-paid group practice health plan.

Collectively bargained health plans should whenever possible, provide for a dual choice option with either the employer or the carrier, whereby each employee may choose to join a health plan organized on a local community basis or elect to continue receiving health benefits under Blue Cross-Blue Shield or commercial insurance.

Health Legislation

The pace of progress in health legislation that was sustained during the Kennedy and Johnson Administrations has all but halted. More health legislation was passed during these two Administrations than in the entire prior history of the United States. A partial list of accomplishments include the Health Professions Educational Assistance Act, the Mental Retardation and Mental Health Acts, the Nurse Training Act, the Regional Medical Program (Heart, Cancer and Stroke), the Comprehensive Health Planning legislation, the Allied Health Professions Act, the OEO Neighborhood Health Center program, as well as Medicare and Medicaid.

To date, no new initiatives have come from the Administration and budgetary limitations are handicapping progress of the recently established programs. What progress that has been made this year has been initiated by Congress in extending existing programs. The House of Representatives, by an overwhelming vote, extended the Hill-Burton Hospital Construction Act, and action by the Senate is currently pending on a bill introduced by Senator Yarborough which not only extends the program but would substantially improve it as well. Action by Congress on the extension of the Mental Health, Mental Retardation and Migratory Health programs is pending.

There is an immediate need for legislation to curb escalating costs under Medicare and Medicaid. To date, rising costs have prompted Congress to curtail benefits under Medicaid rather than crack down on those responsible for rising costs, namely: the providers.

Action on the legislative front by this Administration was also held up for six months because the Administration could not decide whether to approve HEW Secretary Finch's choice for

Assistant Secretary for Health Affairs, Dr. John Knowles. The recent appointment of Dr. Roger O. Egeberg to fill this post may help thaw the health legislative freeze. HEW Secretary Finch and Dr. Egeberg have stepped out boldly in their public pronouncements, stating that there is a breakdown in the health delivery system and have called for the "creation of new and competitive forms of organization to deliver comprehensive health services on a large scale. . . ." The AFL-CIO hopes that these bold words will be implemented in a meaningful way by legislative proposals that will provide financial support for comprehensive health delivery systems such as the comprehensive prepaid group practice plans. Therefore, be it

RESOLVED: 1. The AFL-CIO reaffirms its support of a comprehensive national health insurance system to meet the health-care needs of the American people.

2. The AFL-CIO calls upon Congress to restore the effectiveness of the Medicaid program so that it meets the health care requirements of all needy and medically needy people.

3. The AFL-CIO calls upon Congress to pass such legislation as is necessary to curtail the escalation in health-care costs.

4. The AFL-CIO urges prompt passage of S. 2182 introduced by Senator Yarborough (D., Texas) which improves as well as extends the Hill-Burton Hospital Construction Act.

5. The AFL-CIO calls upon the Administration to introduce legislation into the Congress which would provide financial support for planning, development, initial staffing and capital financing of comprehensive prepaid group practice plans, and

6. The AFL-CIO will support federal legislation designed to increase and improve medical manpower, to improve the quality of health services, to bring about a more rational organization of medical care services, to make medical services more widely available, to establish effective controls on the cost of medical care and to distribute the cost of quality care more adequately throughout the whole population.

National Health Insurance

WHEREAS, Despite the economic wealth and the scientific genius of the United States, this nation lags behind in the provision of health care for its people, and

WHEREAS, In 15 nations, the infant male has a greater life expectancy than in the United States. In 11 nations, the infant female can be expected to live longer, and

WHEREAS, This is not due to lack of ability on the part of our medical practitioners—although there are too few doctors in

the nation. The shortcomings of U.S. health care are attributable to a mis-application of the medical genius we have—full care is not available to all of the people, and

WHEREAS, The people are sorely frustrated by the financial burdens of health care. They are confronted with a crazy-quilt pattern of medical services—governmental programs, private and group insurance plans, and individually-purchased medical services, and

WHEREAS, Some of our people receive total medical treatments from governmental sources. These include the military, some of the indigent and, to a considerable degree, the elderly who are protected by Medicare. Others receive partial care from charitable institutions, public and private. Still others are covered by group insurance plans which they, in most cases, pay for at least in part by payroll deductions and which, in most cases, cover only a part of their medical costs. Still others individually pay all costs, and

WHEREAS, There are a number of federal and state agencies concerned with preventing illness, the emphasis in the United States remains on treatment of those already ill rather than the prevention of illness, and

WHEREAS, Twenty years ago a great American, President Harry S. Truman, recognized this situation and proposed the establishment of a system of National Health Insurance covering all of the people and financed through the federal government, and

WHEREAS, President Truman was a generation ahead of American political and social thought in his proposal and during the politically backward years of the 1950s his ideas were all but forgotten. Meanwhile, the complications of the present system have increased and the frustration of the people has grown, and

WHEREAS, We believe the answer to the problem lies in simplification of the application of health care. We believe that health care should be a matter of routine government service to all of the people, just as police protection against violence to the body is a matter of routine government service; therefore, be it

RESOLVED: That the AFL-CIO endorses the establishment of a National Health Insurance plan covering all of the people within the nation and financed by equal contributions from employers, employees and general revenues.

This health care should be comprehensive. It should include preventive as well as curative measures. It should cover professional services by medical and dental doctors and technicians, hospital, out-patient and nursing home services. It should cover diagnostic services as well as treatment. It should cover prescription drugs, dentures, eyeglasses and prosthetic appliances, and be it further

RESOLVED: That the program of National Health Insurance should include the training of more professional and technical practitioners in medicine and related physical and mental health services, and be it further

RESOLVED: That while practitioners in health care should be handsomely rewarded for their services, there should be stringent controls against fraud and over-charging with civil and criminal penalties provided against those who might abuse their positions of privilege.

Voluntary Action

The voluntary association of free men and women in organizations of their own choosing for mutually beneficial objectives lies at the heart of our democratic society.

The American labor movement itself is such a voluntary association, and the AFL-CIO, through its community service activities, has contributed effectively to the support of thousands of voluntary national, state and community agencies serving millions of Americans.

The Administration's current campaign to stimulate voluntary action in American life is laudable, but it should not be permitted to divert our attention from the undeniable fact that the basic health, welfare and educational needs of the American people can be met only by the government's assumption of full responsibility for meeting these needs. Therefore, be it

RESOLVED: The AFL-CIO continues to cooperate in all worthwhile efforts designed to stimulate voluntary citizen action in community affairs.

The government should provide adequate funding to permit voluntary agencies to develop more effective programs to meet expanding needs.

We urge all voluntary agencies to make clear to the Administration that only major governmental action and substantial appropriations of government funds will basically solve many of the social and economic problems confronting our people and their communities, and that any attempt to divert the people from this hard-truth would be a disservice to them.

Red Cross

The people of the coastal regions of Louisiana, Mississippi and Alabama, and in the mountains of Virginia and West Virginia,

are going about the job of rebuilding their communities in the wake of Hurricane Camille.

In this storm, the most powerful to strike the country, homes equal in number to a good sized city have been destroyed. Hundreds have perished and thousands have been injured. Industry has been hard hit, including plants and mills under union contract.

In this disaster, as in all others, the American Red Cross came to the immediate assistance of people hurt by the storm. The Red Cross helped to provide emergency shelter, food and clothing as well as many millions of dollars to date in repairing and rebuilding of homes. It is estimated that the Red Cross will spend more than twenty million dollars to help the victims of this storm.

The AFL-CIO, through its community services program, cooperated with the Red Cross in providing funds, gifts-in-kind and volunteers. The Louisiana AFL-CIO as well as the Building and Construction Trades Council of that state cooperated and helped develop a great volunteer building project with Red Cross in Plaquemines Parish, La. Therefore, be it

RESOLVED: The AFL-CIO commends the Red Cross for its aid to victims of disasters: reaffirms the Memorandum of Understanding on Disaster Services between the AFL-CIO Department of Community Services and the American Red Cross; and urges AFL-CIO affiliates and members to continue further financial support for the Red Cross Hurricane Camille Fund.

Hunger in America

In this most affluent of nations, hunger and malnutrition remain a stark reality for millions of Americans. Hunger and malnutrition take their toll in many forms—infant deaths, organic brain damage, retarded growth and learning ability; in increased vulnerability to disease; in withdrawal, apathy, frustration and violence.

Studies indicate that between 10 and 12 million Americans are hungry or grossly undernourished. A U.S. Public Health survey estimates malnutrition exists among 15 percent of the population in the areas covered by the survey.

There need not be hunger in America. Surely a nation with our abundance and resources can eliminate hunger among its citizens if we have the will to do so.

The American people have indicated that they do want an end to hunger. A recent Gallup Poll showed the people of this nation attach a high priority to achieving the eradication of hunger in America.

We are pleased that the Administration has recognized the serious nature of the problems of hunger and malnutrition. Unfortunately, the Administration's proposed program falls far short of providing what is needed.

There are a number of bills now before the Congress designed to deal with the problem. We believe that the best features of these bills should be combined into the strongest and most effective food stamp legislation to achieve the eradication of hunger in the shortest possible time.

The U.S. Senate recently adopted a bill which, if enacted, would authorize the kind of comprehensive food stamp programs needed by our nation. The AFL-CIO supported the Senate action and we urge the House of Representatives to move promptly toward the enactment of similarly comprehensive legislation to reform and expand the food stamp program.

Essential to the eradication of hunger in America is a commitment of adequate funds for the substantial expansion of food programs. The Senate food stamp bill calls for an expenditure of \$1.25 billion in fiscal 1970, \$2 billion in fiscal 1971 and \$2.5 billion in fiscal 1972.

Another basic element of an effective food stamp program must be the revision of the present program to permit more stamps to be purchased at substantially lower cost. And it is essential that free food stamps be made available to the lowest income families and individuals. Finally, it is necessary that the administration of food programs at all levels of government be revised to permit all those who are hungry, or undernourished to be embraced by the programs. Therefore, be it

RESOLVED: That this Convention of the AFL-CIO urges the Congress to recognize the following standards for inclusion in new legislation covering food programs:

A. Eligibility standards for participation in the food stamp program should be lowered to permit more of the families and individuals, not now covered, to participate so that a broader spectrum of the poor will be eligible for food stamps. Federal eligibility standards should be established.

B. For the lowest income groups, food stamps should be available at no cost.

C. The appropriate federal agency should be authorized—in cases where it is determined that a local program is necessary and a local agency is unwilling to cooperate—to administer the program in the locality or to designate an appropriate public or nonprofit agency to do so.

D. When the appropriate federal agency finds that local funds are not available to meet the costs of local administration, it should be authorized to pay the states up to the full amount of

the administrative costs for such local programs.

E. Prompter and simpler certification procedures should be developed, and the method of issuing food stamps should be planned so that they will be more readily available to those for whom they are intended.

F. The purchase of food stamps should be permitted on installment or partial purchase basis to facilitate purchasing by families whose pay days do not coincide with stamp issuance periods.

G. The list of items for which food stamps may be used should be broadened to include such necessities as soap, and other items necessary for personal and household cleanliness.

H. During a county's transition from the commodity distribution program to the food stamp program or when the food stamp program is failing to meet the need, simultaneous operation of the commodity distribution and food stamp programs should be permitted.

Eliminating Poverty

Since its inception, the American labor movement has been enlisted in the age-old struggle of mankind against want and deprivation. Unlike many others, trade unionists have not recently rediscovered the existence of poverty in our country. We have known for a long time that millions of people were poor; a very few were our own members, but most were not.

We are not johnny-come-latelys to the fight against poverty. Organized labor has long had its anti-poverty program—full employment, a better minimum wage for more workers, basic improvements in social insurance, expanded job and training programs and a decent level of public assistance. These were just a few of the anti-poverty demands of the AFL-CIO at our founding Convention in 1955. They are our demands today.

Because we are not newcomers to the fight against poverty, we welcome the sympathetic recognition that problem received under the administration of Presidents Kennedy and Johnson. Under their dynamic leadership, this nation launched a determined effort to wipe out poverty.

We also appreciate the recognition President Nixon has shown, especially in his message on welfare reform. But, however desirable it may be to direct the nation's attention to the problem of poverty, it is not enough, unless there is also effective action aimed at substantially improving the condition of those who have not shared in the nation's prosperity. On this score the Presi-

dent's recommendation for welfare reform does not measure up to the nation's needs.

According to the official government figures, 25 million—one out of every eight men, women and children—are poor. At the government defined poverty line, a family of four has an income of less than \$3,500.

People are poor when their incomes do not permit them to buy even the bare essentials of life. They are poor for many reasons and the impact of poverty is very uneven.

There is a widespread misconception that most of the poor are in need because they are lazy and do not want to work. The facts are just the opposite. Two-thirds of the poor are in families where the breadwinner has a job or is unemployed and would work if he could find a job. One-third of the poor are in families headed by someone working year-round. These are the working poor—the people who are denied decent incomes for the work they do.

There are other facts about the poor which have an important bearing on what can be done to wipe out poverty.

1. Families headed by women are particularly likely to be needy—nearly one in two and they comprise more than one-fourth of all poor families.

2. Most of the poor are white, but the incidence of poverty is much greater among Negroes—one household in three, compared with one in seven for whites.

3. Forty percent of the poor are children and large families are much more likely to be poor than smaller ones.

4. Twenty percent of the poor are elderly. Of the elderly three in ten are poor.

5. Although most of the poor live in urban areas, poverty is twice as prevalent for the farm population.

6. Half of the poor are below the Mason-Dixon Line.

One thing is clear. Just as there are many reasons why people are poor, there must also be many programs for eliminating poverty. Contrary to the claims of some, there is no single panacea.

For the two out of three families which are poor because the breadwinner though employable is unemployed, under-employed or underpaid, suitable jobs and decent wages are the most promising road out of poverty. This calls for a national commitment to full employment with reduction of unemployment to a maximum of 2 to 2½ percent of the labor force. It also calls for comprehensive manpower and training programs including a large-

scale public-service employment program providing well-planned useful jobs paying at least the statutory minimum wage. And it calls for raising the minimum wage to at least \$2.00 an hour and extending its protection to all workers, steps which alone would lift 8 million Americans, one-third of the poor, out of poverty.

These manpower, training and minimum wage improvements should be buttressed by such supplemental measures as effective enforcement of anti-discrimination laws, as well as housing, health, education, day care, and other social service programs which would not only help lift the poor out of poverty but also better community life for all of us.

But there are some poor people who will not benefit from jobs and minimum wage coverage because they are young or old or sick or disabled or have family responsibilities keeping them at home. Others are in such large families that a job for the breadwinner at the minimum wage or even slightly above does not provide an adequate income. For these groups the answer lies in substantial improvements in social insurance and a greatly improved welfare program.

Eligibility for social insurance—old-age, survivors and disability insurance, unemployment insurance, and workmen's compensation—is a right workers earn during their previous employment. But far too many people who depend on social insurance payments are poor. With expanded coverage and higher payments, social insurance could remove millions from poverty. This requires federalization, or at least federal minimum standards, in the unemployment insurance and workmen's compensation programs and a 50 percent increase and a \$100 minimum benefit plus other needed improvements in Social Security.

Job and training, the minimum wage and social insurance—these are the programs which, if substantially improved, could wipe out much of the nation's poverty. But even these programs do not offer a total solution of our poverty problems. They will not meet the needs of some of the poor, including mothers and children in fatherless families, families of workers who are unemployed, under-employed, or unemployable but not entitled to adequate social insurance payments and large families with relatively low-paid wage earners. For these people, we need a compassionate and greatly improved public welfare program.

Unfortunately, despite what may be good intentions, the President's welfare reform proposal does not meet this need. The Administration would provide a \$1,600 welfare payment for a family of four—only \$30 a week. This is less than half of the official government poverty level. It would benefit families with children in only ten states.

The Administration's proposal would supplement the wages of under-employed workers and those forced to work at extremely

low wages, but without requiring the employer to raise wages to a decent level. It includes a so-called "work incentive" to encourage welfare recipients to seek employment, but no provision for the greatly expanded training and employment programs or assurance of decent wages to participants in them without which the "incentive" will be all but meaningless.

But if the Administration's welfare proposal is inadequate, the existing program is far worse. Instead we need a federal welfare program providing decent incomes and humane conditions for all who must depend on it. This means minimum payments at no less than the official poverty level, with supplemental work incentive benefits up to a level of 50 percent higher for those who obtain jobs. Families of workers whose earnings are below these standards should be eligible for income supplements, but employers of such workers should be required to pay at least the statutory federal minimum wage, through extension of Fair Labor Standards Act coverage to all workers. Mothers with children should not be forced into work or training but opportunities should be available to them on a voluntary basis. This will require a considerable expansion of day care facilities and services. Therefore, be it

RESOLVED: This Convention hereby recommits the trade union movement with renewed vigor and determination to the goal of wiping out poverty in America.

Achievement of this goal will require the full use of a host of programs, old and new, which in combination will respond to the many different causes of poverty. In particular, we will seek the radical improvement of training and employment, minimum wage, social insurance, welfare and supportive programs, all of which can and should contribute to the elimination of poverty.

The public welfare system must be completely revised to provide a federal welfare program, with adequate payments based on the sole criterion of need, and with federal financing and administration of welfare costs.

We are convinced that America has the knowledge and resources to wipe out poverty in our time.

The Future of the Anti-Poverty Program

Poverty has not been eradicated in our land, despite the economic improvement of the 1960s. There are still over 25 million Americans who are poor according to the government's definition—earning under \$3,500 for a family of four. And there are at least 10 million who are just above the government-defined poverty line. There is still hunger in the land. Millions are still living in substandard housing. Tens of thousands are unem-

ployed because of lack of education and skills. Adequate health services are still not available to millions.

Five years ago when the anti-poverty effort was initiated, its mission was to "eliminate the paradox of poverty in the midst of plenty in this nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity." Toward this end, the Office of Economic Opportunity (OEO) created by the Economic Opportunity Act of 1964 developed many new and creative programs including, among others, Head Start, Neighborhood Youth Corps, Job Corps, Legal Services, Comprehensive Health Services and Upward Bound. About 1,000 Community Action agencies were put into operation to plan and coordinate the anti-poverty effort at the community level.

The AFL-CIO has supported the OEO from its inception as an important weapon in the war against poverty. Yet, the AFL-CIO was aware from the start that OEO had a limited role in the total anti-poverty effort. We recognized that poverty cannot be eliminated unless the full spectrum of relevant government and private resources are committed to this effort. In the final analysis it is jobs, housing, education, health services, freedom from hunger and freedom from discriminating practices that are needed.

Yet, in assessing the work of OEO over the past five years, we in the AFL-CIO are convinced that it had played an important role. It has made the nation aware of the poverty in our midst and it has been an effective advocate for the poor in the legislative and executive branches of government. OEO programs have benefited thousands of the poor. It has enabled the poor to help plan and participate in programs which they considered necessary in the struggle against poverty.

In considering the future of OEO, it should be clear that this agency is needed to carry on the fight against poverty. OEO deserves to be continued. With the knowledge gained over the past five years with regard to developing new programs to help the poor, with increased skills in the administration of these programs, with the greater skill developed for involving the poor themselves and in working with the poor—we believe that the OEO can have even greater impact than in the past in helping the poor find their way out of poverty.

We commend the President for requesting a two-year extension of the Economic Opportunity Act of 1964, without amendment. We further commend his proposal that OEO continue to be an innovative agency, seeking new and better ways to combat poverty. However, we deplore the lack of leadership by the Administration in pressing Congress to act on pending anti-poverty legislation.

We further recognize that OEO has never been adequately funded. If the Administration intends to give leadership to the anti-poverty effort, the program must be extended and strengthened. This will require substantially more funds than the Administration has proposed.

We are also concerned with the proposals being made to give greater control of the anti-poverty program to the states. Control of this program by the states can only result in a weaker and less effective program, especially in the urban centers where poverty remains a highly explosive issue. Therefore, be it

RESOLVED: 1. The Economic Opportunity Act should be extended for at least two years without crippling amendments.

2. More adequate funds must be made available so that the program can be extended and strengthened.

3. We urge the Administration to take greater initiative in pushing for the extension and more adequate funding of OEO.

4. The anti-poverty program should not be placed under the control of the states.

Government and the Arts

WHEREAS, President Eisenhower, President Kennedy, and President Johnson have all recognized that there is a responsibility on the part of government for the well being of the artistic and cultural life of our Nation. In so doing, they restated a position first expressed by President Washington when, in 1788, he remarked that, "the arts and sciences are essential to the property of the state . . . and to the happiness of human life". In a message to the first Congress, Washington stated that, "there is nothing which can better deserve your patronage than the promotion of science and literature", and

WHEREAS, With the advent of increasing leisure time and urbanization in our nation, it becomes increasingly important that opportunities for involvement in, and appreciation of the arts be made available to all people. The arts in a democracy must not be the playthings of the rich. They are, as Washington said, "essential . . . to the happiness of human life" and they must be available to all. In order for this to be so, it is essential that government at all levels assume a greater responsibility than they have in the past for encouraging America's artists and supporting our theaters, our museums, our art galleries, our symphonies, and our libraries cannot institute technological improvements to cut costs and keep prices within the reach of the masses. As government has supported our schools and colleges, so government must now offer support for the arts in our communities, and

WHEREAS, The National Endowment for the Arts, created by Congress in 1965 and so ably administered by its former Chairman, Roger Stevens, stands today as a splendid example of what this nation can and must do to support the arts. The Endowment must be continued and expanded by the new Administration; therefore, be it

RESOLVED: That we call upon President Nixon to exercise every power at his command so that the Endowment is provided with the maximum amount of funds authorized by Congress, and be it further

RESOLVED: That we urge the present Administration to seek even more financial resources for this small but most important agency in the future.

LEGISLATIVE AND POLITICAL POLICIES

Political Education

The 1970 Congressional elections loom as the most vital in recent years, and as a strong challenge to the political action and education capabilities of the labor movement.

In 1968, the AFL-CIO-endorsed candidate for President of the United States lost narrowly. In the ensuing months, it has become clear that the new Administration is substantially more conservative than its predecessor. In addition, recent appointments to the Supreme Court and regulatory agencies are moving them towards a conservative and anti-labor direction.

Thus, it becomes imperative that the present liberal strength in Congress be increased in the 1970 elections to assure that (1) progressive proposals will have a better chance of enactment, and (2) restrictive measures against trade unions and efforts to roll back the social-welfare progress of the past several years will be stopped.

Clearly, the political stakes will be high in 1970, and an extraordinary effort by trade unions in the political education and political action fields is demanded. Therefore, be it

RESOLVED: That this convention of the AFL-CIO urge all affiliated unions to call upon their staff, their regional and local union officials, and their members to make political action a preeminent part of their 1970 program; and be it further

RESOLVED: That this convention urge all affiliated unions to assign as many full-time staff members as possible to political action and education efforts at the earliest possible date; and be it further

RESOLVED: That this convention urge all affiliated unions to cooperate fully in COPE registration and get-out-the-vote campaigns and to meet and, if possible, exceed their COPE voluntary dollar quotas in 1970; and be it further

RESOLVED: That this convention urge all affiliated unions, their officers, staff persons and their members to cooperate with COPE in every possible way to assure the most effective labor political programs ever in 1970.

Election of the President

On September 18, 1969, the House of Representatives by a vote of 339-70 passed H.J. Res. 681, proposing an amendment to the Constitution of the United States abolishing the Electoral College and providing for the direct election by vote of the people of the President and Vice President of the United States.

This proposed constitutional amendment has broad popular support. Organizations as diverse as the American Bar Association, the United States Chamber of Commerce, the National Federation of Independent Business, as well as the AFL-CIO, are united in their support of H.J. Res. 681.

The need for reform of the Electoral College system has long been apparent. The direct election amendment now before the Congress is the only proposal for changing the method of electing the President and Vice President, which will make sure that the candidates who receive the most popular votes will be elected. Some alternative proposals, such as the so-called "district" proposal and the "proportional" scheme, would actually make it easier for a minority President and Vice President to be elected than is the case under the present system. Such proposals would only make the present unsatisfactory system much worse and should be rejected by the Congress.

The proposed constitutional amendment requires candidates for President and Vice President to receive at least 40 percent of the popular vote in order to be elected and provides for a runoff election in the event no candidate receives such a proportion of the popular vote. This provision will operate effectively to prevent the multiplicity of candidates that some people fear will be encouraged to enter the race under a direct popular vote system. Therefore, be it

RESOLVED: (1) The 8th Constitutional Convention of the AFL-CIO reaffirms the resolution adopted by the AFL-CIO Merger Convention in 1955—subsequently reiterated by the 1957 Convention—which stated:

"The President and Vice President of the United States should be elected by direct popular vote. The electoral college system has outlived its usefulness, and should be abolished."

(2) We urge the Senate of the United States to take early action to complete submission to the States of a constitutional amendment along the lines of H.J. Res. 681, providing for direct election by vote of the people of the President and Vice President of the United States, so that such an amendment will be submitted to the States for ratification in time to become effective for the election of the President and Vice President in 1972.

Modernizing State Legislatures

Most state governments remain basically weak in our federal system because numerous constitutional restrictions severely limit effective executive and legislative authority to effect meaningful answers to the problems of our fast-moving society. The legislative process in almost every state needs overhauling if democratic procedures are to be assured and responsible decisions are to be obtained.

State legislative bodies are ill-equipped to function responsibly; biennial sessions should be replaced by annual sessions; constitutional limitations on the length of sessions should be removed; calendars should be timely and publicly announced; debates, when possible, and votes on the floor and in committee should be matters of record; offices should be provided legislators; pay should be both commensurate and adequate on the basis of a fulltime job; standing committees should be properly staffed with qualified people; committees and their procedures should be streamlined; membership on standing committees should be limited to provide both representative and thoughtful application to the problems of state. Regular apportionment should be mandatory. Therefore, be it

RESOLVED: That this 8th Constitutional Convention of the AFL-CIO strongly urges its state central bodies:

1. To press for the establishment of citizens commissions in their respective states to pursue a program to modernize state governments with special emphasis on the legislative body and its processes.
2. To seek the cooperation of other state organizations within their respective state.
3. To utilize the assistance of the field staff of the Citizens Conference on State Legislators, state universities, and the Legislative Department of the AFL-CIO.

Citizens' Job Protection Laws and Ordinances

WHEREAS, The 1961 biennial Convention of the American Federation of Labor and Congress of Industrial Organizations unanimously adopted a resolution in support of enactment of Citizens' Job Protection Laws and Ordinances (which prohibit trafficking in professional strikebreakers) throughout the United States, and

WHEREAS, a total of 14 states and 108 municipalities now have the protection of such legislation which was adopted mainly through the efforts of organizations affiliated with the AFL-CIO

spearheaded by the Presidents' Committee of the Allied Printing and Related Trades, and

WHEREAS, despite the outstanding success of this eight-year effort, professional strikebreaking remains a constant and virulent threat to the peace and security of all who work for a living (i.e., the two-year strike-lockout of newspaper employes at the Los Angeles Herald-Examiner made possible and continuous by the employment of professional strikebreakers), and

WHEREAS, free collective bargaining is the stated policy of our government, and is accepted by enlightened employers and responsible employes alike; said free collective bargaining being readily hampered or forestalled by the availability and use of professional strikebreakers, and

WHEREAS, Citizens' Job Protection Laws and Ordinances have proven effective in controlling importation and use of professional strikebreakers; therefore, be it

RESOLVED: That the 1969 Convention of the AFL-CIO reaffirm its approval and support of the enactment of Citizens' Job Protection Laws at the federal, state and municipal level, and be it further

RESOLVED, the AFL-CIO call upon and urge its state and city affiliated bodies, and its affiliated international unions to cooperate with the Presidents' Committee of the Allied Printing and Related Trades to work for the passage of anti-strikebreaker legislation in all areas of the nation that do not have this protection.

National Flood Insurance Act

WHEREAS, The southern and eastern coastal areas of the United States have repeatedly been struck by hurricanes with demoniac fury causing an ever increasing loss of human life and personal property, and

WHEREAS, These hurricanes accompanied by the flood waters of the Gulf of Mexico, rivers, canals and lakes inundated great areas of exposed flat lands and thousands of homes, shops, factories and other buildings were flooded, washed away, crushed or otherwise badly damaged, and

WHEREAS, Thousands of property owners in South Louisiana, Mississippi and other states, many of whom are members of the AFL-CIO, were financially wiped out by the damage or total destruction visited upon them by these hurricanes and accompanying flood waters causing entire life savings in homes, personal property and possessions to be lost, and

WHEREAS, Many of these hurricane victims suffered a total loss of their personal possessions for the second time during the

past four years, and

WHEREAS, Few of these victims of the flooding waters were covered by insurance because private insurance companies are unwilling or unable to insure against flood losses except at such prohibitive costs so as to price this insurance completely out of reach of the overwhelming majority of home owners, and

WHEREAS, The recent Hurricane "Camille" was another horrifying experience of the havoc and destruction caused by these floods generated by these killer hurricanes; therefore, be it

RESOLVED: That the American Federation of Labor and Congress of Industrial Organizations, in its Eighth Constitutional Convention, does hereby go on record to call upon the Congress of the United States to proceed forthwith to amend the National Flood Insurance Act of 1968 thereby making available immediate flood insurance coverage to all citizens of the United States at a reasonable premium rate; and be it further

RESOLVED: That such amendments to the National Flood Insurance Act of 1968 increase the maximum amount a single dwelling unit can be insured to a more realistic figure and that the face amount of flood insurance coverage outstanding and in force at any one time shall not exceed the sum of \$10,000,000, 000.00.

Appointment of Judge Haynsworth

WHEREAS, The United States Senate is now in the process of deliberating on the appointment of Judge Clement F. Haynsworth, Jr. as an Associate Justice of the Supreme Court of the United States, and

WHEREAS, The appointment of any individual to serve on the nation's highest tribunal is a matter of the utmost gravity, for the Supreme Court is a very special institution, and

WHEREAS, It is the custodian of all the most cherished legal rights of the American people. In the hands of its nine members rests the responsibility for interpreting the laws of the land—not only in the context in which those laws were written, but also in the context of the time in which we live, and

WHEREAS, It is, in every sense, man's court of last resort. Men's lives, their fortunes, their honor, rest in the end, not in the Constitution or the body of civil and criminal law which has grown up in America's 200-year history, but rather in how these nine men view the meaning, the intent and the application of these laws, and

WHEREAS, It is a co-equal branch of our federal government—standing on an even footing with the Legislative and the Execu-

tive Branches. But where the ranks of the Legislative Branch are numbered in the hundreds, and those of the Executive Branch are numbered in the thousands, the Judicial Branch is far smaller, and at the apex of the judicial pyramid is a court consisting of only nine men. Thus the weight of the individual—his character, his judgment, his actions—assumes a disproportionate shape in the scheme of things, and

WHEREAS, More even than its substantive role in our society is the role which the Supreme Court fills in terms of the moral climate of our times. Sitting, as it does, in final judgment on us all, the Supreme Court must be above suspicion and beyond reproach—for if it is not, then all of the moral values of our society are called into question, and

WHEREAS, It is against this backdrop that the Senate must make the judgment of Judge Haynsworth. And it is against this backdrop that we associate ourselves wholeheartedly with the position expressed by AFL-CIO President George Meany—a position of unremitting opposition to this appointment. Our reasons are many; the grounds on which they are based are clearly definable, and

WHEREAS, Judge Haynsworth's record with respect to labor-management cases demonstrates clearly that he has no sensitivity to the basic rights of working men and women, and

WHEREAS, Judge Haynsworth's record with respect to civil rights cases demonstrates clearly that he has no sensitivity to the basic citizenship rights of Americans, without regard to the color of their skins, and

WHEREAS, We are not naive enough not to realize that appointments to all federal offices—judiciary and executive, alike—reflect the political climate in this country. We recognize that there was an election in 1968, and that as a result of that election there was a change in administrations in Washington. We recognize the right of an American President to choose, as his appointees, from among those who have supported his cause and who reflect his own political coloration, and

WHEREAS, We submit, however, that the nomination of Judge Haynsworth goes far beyond those bounds. The 1968 election was decided, in large measure, on the basis of a so-called "Southern Strategy." And the proposal that Judge Haynsworth be named to one of the nine most responsible positions on the Supreme Court is at once both a reward for those who made this strategy of 1968 a success and an investment in the maintenance of this Southern base into the future, and

WHEREAS, We are told that Judge Haynsworth is not hostile to labor unions or to civil rights groups. We are told, instead, that he is a "strict constructionist." But we understand the code words of modern politics—code words such as "right-to-work,"

"trade union democracy," "law and order," and the rest. These are clever propaganda weapons, distorting words that have benign meanings and making of them shields behind which lurk malignant intent, and

WHEREAS, The words "strict constructionist" are code words, too. They are a signal to the Strom Thurmonds, the James Eastlands, and the George Wallaces as to where Judge Haynsworth truly stands on the great social issues of our times: The issues of common decency, fair play and justice—whether on the job or off; whether in labor-management relations or in the relations between people of different skins, different ethnic origins, different cultures, and

WHEREAS, On the record, Judge Haynsworth has demonstrated his hostility to trade unions and his hostility to civil rights—and either of these grounds should be cause enough for the Senate of the United States to reject his nomination, and

WHEREAS, There is another reason which makes it clear that Judge Haynsworth is totally unqualified to participate in the deliberations of our highest judicial body—and that is the appalling lack of ethical judgment displayed by Judge Haynsworth in failing to insulate his judicial affairs from his financial affairs, and

WHEREAS, Daily, the record grows as to the number of instances in which he has been shown to have financial interests—some of them most substantial—in companies which have been parties to suits on which Judge Haynsworth has been called to adjudicate, and

WHEREAS, His actions in the stock market and in the business world thus are in direct conflict with his duty to sit in impartial judgment—indeed, it is hard to credit Judge Haynsworth's repeated contentions that he has not been swayed by the fact that he has been financially involved with one of the parties before his court, and

WHEREAS, What is even worse, the full extent of interrelationship between Clement Haynsworth, business man and investor, and Clement Haynsworth, supposedly impartial judge, may not now be known—nor may it ever be known. For added to Judge Haynsworth's insensitivity to the legal niceties or the proprieties of the bench has been his amazing and continued lack of candor with the Senate and with the American people. Not once has he come forward, on his own, to lay the full extent of his financial transactions before the public. Instead, he has admitted to these involvements only reluctantly, and only after they have been uncovered by others and spread on the record by others. Thus there may be even more damaging instances buried deep in the stock portfolio of Investor Haynsworth, or in the case dockets of Judge Haynsworth, and

WHEREAS, In the face of these continuing disclosures, Judge Haynsworth adamantly protests that he did nothing wrong, and the Justice Department of the Administration which nominated him for a seat on the Supreme Court concurs in the denial of any impropriety, and

WHEREAS, Within the past year, Mr. Justice Fortas made similar denials about wrongdoing in the commingling of his financial and judicial affairs, and without making any judgment here on the Fortas case, the fact of the matter is that, as the result of those disclosures, Justice Fortas no longer sits on our highest court. Those who were loudest in their criticism of Justice Fortas said at that time that the appearance of impartiality was as important as impartiality, itself. We agree. As we said earlier, judges must be above suspicion and beyond reproach. Yet the same men who criticized Justice Fortas now seek to alibi Judge Haynsworth with the result that their own ethics, as well as those of their candidate for the Supreme Court, are called into question, and

WHEREAS, There is more than an individual appointment at stake here. What is at issue is fundamental to our democracy. If Judge Haynsworth should be appointed to the Supreme Court, it would be necessary for the American people to scrutinize his stock portfolio every time a case came before the court. And even then, on the basis of what has been revealed about Judge Haynsworth's activities in the past, it is questionable whether all of the facts would ever be known—and the American people would be left with the nagging doubt as to exactly how impartial Judge Haynsworth's decisions really were; therefore, be it

RESOLVED: That the AFL-CIO Convention calls on Judge Clement F. Haynsworth, Jr., to withdraw himself from consideration for this appointment; that, failing voluntary action on the part of Judge Haynsworth, we call upon President Nixon to withdraw the nomination to safeguard our judicial system; and that, failing these actions, we call upon the Senate of the United States not to consent to the nomination.

Copyright Law and Technological Changes

WHEREAS, The rapid technological advances which are being made by our nation make it possible for great masses of people to enjoy goods and services which, only yesterday, were the province of the privileged few. Priceless books can now be duplicated easily, cheaply and quickly. It is within the realm of possibility that in the near future, we will have information stored, analyzed, and disseminated throughout the nation—into homes and offices—by means of computer systems and ad-

vanced communications mechanisms. Films, recording, television already have revolutionized our lives. Computers, lasers, and new products of our technological age will further alter our pattern of living, and

WHEREAS, These changes make it possible to widely disseminate the fruits of man's intellect and talent, they offer much promise for mankind. But to realize this potential, these radical advances must serve as the tools of the artist, the scientist, the technician, not the masters of these men. The creators of the works which these machines distribute must share in the rewards if they are to be encouraged to contribute still more of their talents, and

WHEREAS, Through the media of films, television and records, the art of the performer can now be carried to huge masses of people. There is danger that the middle men—those who control the media—will reap all of the profits and the performers will see little, if anything, of the rewards for benefitting such vast audiences, and

WHEREAS, Through the use of advanced copying machines and communications techniques, it is possible for the works of a writer, engineer or technician to be disseminated and duplicated and exploited without recognition or reward for the creator. Such a situation must not be allowed to occur, and

WHEREAS, Despite the profound advances which have been made in technology and the changes which they herald, our government has been shockingly lax in bringing the laws of copyright into tune with the times. Our basic copyright laws being made by Senator Harrison Williams of New Jersey which have not been revised in nearly sixty years; therefore, be it

RESOLVED: That we applaud the 91st Congress for now considering a general revision of our copyright laws but we believe that there is an urgent necessity for something more than consideration and debate. The country, and its intellectual and would assure the right of the performing artist to compensation for the broadcast and commercial exploitation of his recorded artistic talent requires action, and be it further.

RESOLVED: This convention approve of the proposals now being made by Senator Harrison Williams of New Jersey which would assure the right of the performing artist to compensation for the broadcast and commercial exploitation of his recorded work. We believe this is fair. We believe this is just, and must not be denied. We believe, too, that the time is overdue for the Congress and the Nation to inform itself regarding the new technology and its impact upon our patent and copyright laws, and be it further

RESOLVED: That we endorse suggestions made to establish a national commission that would investigate the changes occurring in our technology, appraise their consequences to our society and make recommendations so that our copyright laws will keep apace of these changes and the rights of the creative individual will be protected.

ACTIONS AFFECTING AFFILIATES

Community Services

WHEREAS, The union contract does not cover all the immediate personal and family needs of union members for such services as consumer counselling, legal aid, child care, family counselling, recreation, blood banking, hospitalization, housing, and others, and

WHEREAS, The collective bargaining agreement does not meet the emergency needs of union members and their families for food, shelter, clothing and medical care caused by natural and man-made disasters such as hurricanes, floods, earthquakes, layoffs, strikes and riots, and

WHEREAS, It is the responsibility of the union, therefore, to extend its services to its members and their families beyond the plant gates and the collective bargaining agreement into the neighborhood and the community as a whole by establishing effective organizational relationships with community agencies and facilities for the complete development and full utilization of all health and welfare resources for the benefit of the people, and

WHEREAS, Such active labor participation in community affairs, on the policy-making boards of agencies, in developing needed new services, in social action for more and better facilities and in the application of collective bargaining techniques to consumer-merchant, patient-physician and tenant-landlord relationships, will help make communities more representative of the people and more responsive to the people's needs.

WHEREAS, A by-product of labor's public service and concern for a better community for all is effective community and public relations for the trade union movement as a whole; therefore, be it

RESOLVED: That all AFL-CIO affiliates be urged to establish community services committees for the purpose of effective participation in community affairs, and be it further

RESOLVED: That national and international unions and state and local central labor bodies be urged to designate full-time community services directors wherever possible.

Employment of Union Members of the Performing Arts

WHEREAS, The success of the American trade union movement in winning for its members increased pay and leisure time

has enabled a growing number of workers and their families to participate in the cultural activities of their community and enjoy the work of singers, musicians, actors, and other performing artists; and

WHEREAS, The AFL-CIO has recognized this situation and together with the federal government's National Endowment for the Arts has developed a Demonstration Arts Project to test methods for involving AFL-CIO affiliates and their members in the work of our nation's cultural organizations; and

WHEREAS, Many performers, theatre technicians and others employed by cultural institutions are members of AFL-CIO affiliated organizations and through these organizations are seeking to maintain standards of fair pay and decent working conditions; therefore, be it

RESOLVED: That this Convention demonstrate its solidarity with our brothers and sisters who work in the performing arts and other fields of cultural endeavor by urging all members of organized labor and affiliated unions to patronize only those institutions that have entered into collective bargaining agreements with the appropriate unions of performers, technicians, and craftsmen; and, be it further

RESOLVED: That affiliates be requested to advise their locals of the adoption of this resolution and urge that it be given prominent publicity in their journals.

Allied Printing Trades Label on Charitable Appeals

WHEREAS, The number of appeals for financial support by organized charities is ever increasing to the point where there now is practically an individual fund drive annually by groups organized to combat all known fatal and incurable diseases, in addition to the previously established organizations for general good and welfare of the needy, and

WHEREAS, These appeals are directed to the members of organized labor, and dependent upon the strong financial support of both the individual members and families of organized labor as well as all trade movement organizations; therefore, be it

RESOLVED: That this Eighth AFL-CIO Constitutional Convention do everything possible to advise all such welfare agencies to have printed and/or distribute only literature which carries the Allied Printing Trades Label, to the end that there will be evidence of reciprocal and mutual co-operation by the bodies organized.

Union Label

WHEREAS, The purpose of a Union Label, Shop Card, Store Card and Service Button is to protect union workers, further their general welfare and enhance their job security as well as to promote a greater increase in demand for union products and services; and

WHEREAS, Through these insignia the mass purchasing power of organized labor becomes the only real effective means of advancing the principles of trade unionism and the economic well-being of organized labor; and

WHEREAS, The favorable impact of 13.5 million AFL-CIO trade union members on employers who have collective bargaining agreements with AFL-CIO unions is a reinvestment in good wages, working conditions and fringe benefits; and

WHEREAS, The division of the mass purchasing power and diverting it towards non-union or anti-union employers can only undermine all these things as well as creating self-destruction; and

WHEREAS, Trade unionists have historically been cognizant of the importance of looking for the Union Label, Shop Card, Store Card and Service Button as these emblems are a positive approach to education, organization as well as a means of improving the economic welfare of trade union families; therefore, be it

RESOLVED, That the American Federation of Labor and Congress of Industrial Organizations, in convention assembled, urge all its affiliated national and international unions to purchase only union products and use only union services in official functions of the particular organizations; and, be it further

RESOLVED, That the AFL-CIO wholeheartedly urge all its affiliates to enter into label agreements with employers with whom they have collective bargaining agreements; and, be it further

RESOLVED, That every effort be made to coordinate through the Union Label and Service Trades Department the promotion of the fair union employers, their products and services; as well as the unfair and/or anti-union employers, their products and services.

Participation in Union-Industries Show

WHEREAS, Union-Industries Shows, sponsored and produced by the AFL-CIO Union Label & Service Trades Department, reflect the craftsmanship of all members and the progress made

by the American Federation of Labor & Congress of Industrial Organizations in general, and

WHEREAS, Union-Industries Shows have each year continued to grow in size, stature and effectiveness, and gain more and more acceptance and acclaim from both our own members and the general public, and

WHEREAS, All AFL-CIO national and international unions and their "fair" employers are eligible to participate in these annual displays of AFL-CIO craftsmanship, and

WHEREAS, Participation by all AFL-CIO national and international unions would broaden the scope of these exhibitions and greatly expand their ability to tell the trade union story to all the nation, and

WHEREAS, The Union Label and Service Trades Department, in convention assembled, unanimously voted to prevail upon each AFL-CIO national and international union to participate in these Union-Industries Shows by taking at least one booth in the Union-Industries Show in 1970 and 1971, and to invite their "fair" employers to do likewise; therefore, be it

RESOLVED: That the American Federation of Labor and Congress of Industrial Organizations also prevail upon each affiliated organization to participate in these Union-Industries Shows by taking at least one booth in the 1970 and 1971 Shows and extend an invitation to their "fair" employers to participate.

Union Label Week

WHEREAS, The AFL-CIO Union Label and Service Trades Department maintains a constant year-round program to impress upon all members and their families and friends the importance of demanding union label products and patronizing union services; and

WHEREAS, The high point in each year's promotional campaigns has been the observance of Union Label Week; and

WHEREAS, This observance has each year become more national in scope and more effective at the local level; and

WHEREAS, The Union Label and Service Trades Department, in convention assembled, officially set aside the periods Sept. 7-13, 1970 and Sept. 6-12, 1971, as Union Label Week; therefore, be it

RESOLVED: That the American Federation of Labor and Congress of Industrial Organizations, in convention assembled, also officially designate the periods September 7-13, 1970, and September 6-12, 1971, as Union Label Week for those respective years.

RAILROAD AND MARITIME ISSUES

U. S. Flag Passenger Ships

WHEREAS, American flag passenger ships are powerful producers for our country's economy. They directly provide some 8,000 jobs even in their present diminished state plus many times that number in shoreside industry directly connected to passenger ship operation. They contribute about \$100-million a year toward a favorable international balance of payments, and

WHEREAS, The importance of modern passenger ships to our national prestige is immeasurable. Americans need only consider the great emotion that is aroused among Americans when great new foreign flag ocean liners such as the Q-2 arrives, realize what an impact a new "United States" or "Argentina," etc. would create in the hearts and minds of people around the world, and

WHEREAS, Equally important is the defense factor in great passenger ships. The need for such vessels has been proven time and again in Korea and Vietnam. Furthermore, the danger of relying solely on planes for troop transport has been proven in intercontinental maneuvers staged by the Pentagon, and

WHEREAS, The members and leadership of the maritime unions have recognized their responsibility to maintain the highest standards of service on U.S. flag ships and have established training programs to assure an adequate force of skilled dedicated service personnel; therefore, be it

RESOLVED: 1. We call on the President and the Congress to develop programs which will enable the nation to realize the full economic, strategic and psychological advantages of a first rate American-flag passenger fleet; including the immediate establishment of a cooperative to coordinate all U.S. passenger ship operations at reduced cost.

2. We call on the Maritime Administration to insist that companies which have committed themselves to passenger ship operation be required to fulfill their commitments to maintain and replace their passenger vessels.

3. We call on members of the AFL-CIO to patronize U.S. flag vessels wherever possible and to explore the possibility of holding conventions, etc., aboard U.S. flag vessels.

U. S. Merchant Marine

WHEREAS, the runaway flag ships spawned by the fallacious "effective control" concept through mercenary U.S. corporations has placed more and more modern tonnage under foreign flag than exist in the U.S. fleet, and

WHEREAS, the nation's merchant marine has been jeopardized through maladministration of maritime laws, and

WHEREAS, the lack of an adequate merchant marine is detrimental to our foreign commerce, weakens our efforts to maintain a strong peace program, and threatens our national security, and

WHEREAS, the seapower program of the Soviet Union is already making great headway toward capturing the world's foreign commerce and controlling the commerce of many nations, in accordance with their announced plans; therefore, be it

RESOLVED: That the AFL-CIO continue to press the Administration and Congress for an adequate U.S. flag merchant marine program which will:

1. Support and sustain the Merchant Marine Act of 1936 as the national instrument of maritime policy, amending it cautiously where the lessons of time and experience clearly mandate.

2. Reaffirm the valid and time-tested concept that a strong U.S. flag merchant marine, American built and American owned, is essential to both the commercial well-being and national security of the nation.

3. Develop constructive means for transporting a "substantial portion" of our waterborne international trade. We must aggressively seek a declaration by the Administration and Congress that "at least 50 percent" of our foreign trade should be carried in American bottoms.

4. Exert all effort to have the Department of Defense provide more realistic consideration of U.S. flag merchant seapower in future military and defense planning. This calls for elimination of the fallacious "effective control" concept.

5. Exert all effort to have the United Nations call a conference of all world powers to work out rules of international law on use of the seas.

6. Support the principle of essential trade routes, but also provide (a) flexible adjustment in maximum and minimum sailings,

(b) facility in modifying ports of call, and (c) broader trade route determinations. Simplify procedures under Section 605(c) of the Merchant Marine Act of 1936 to facilitate determinations for expanded U.S. flag service.

7. Retain and strengthen our Cargo Preference Laws (after equating costs) by extending operating differential subsidy of the 1936 Act, to achieve "routing preference" only, thus offsetting similar preferential routing practices by competing foreign maritime nations. Concentrate overall supervision of Government-generated cargo movement aboard commercial shipping in one central organization, the Maritime Administration. Follow a policy of assigning preference-cargo to ships of companies engaged in carrying commercial cargo.

8. Build fifty new commercial ships a year under the Construction Differential Subsidy Section of the 1936 Act.

9. Develop a positive program for the revitalization of passenger ship fleet.

10. Re-establish the revolving construction reserve fund of the 1936 Act to provide for continuing fund replenishment from customs receipts.

11. Continue the opposition to the Department of Defense appropriation for the Fast Deployment Logistic Ships.

12. Support the revitalization of the fish industry through restrictions on imports and increased Government assistance, both financially and technically.

13. Maintain the cost equalization parity concept of the Merchant Marine Act of 1936 in both ship operation and construction.

Correctly identify and apply full parity between foreign and U.S. costs. Eliminate current Governmental practices to dilute the payment of fully equalized operating cost differentials to contracting lines.

Process the long delayed applications of berth lines for cost parity contracts under the Merchant Marine Act of 1936. Require as a condition to receiving operating differential subsidy that all companies involved subject themselves to normal regulations applicable to existing subsidy contract lines, and divest themselves of all foreign flag interests. Provide the cost parity concept to dry bulk carriers similar to that enjoyed by the berth lines, wherever practical. Require such carriers to divest themselves of all foreign flag interests.

14. View shipbuilding in the United States as a distinct industry, separate and apart from the operating merchant marine. Provide direct Government subsidy to the shipyards. Further, provide that any operator who becomes eligible for operating subsidy shall be eligible to receive ships built with subsidies al-

lowed the yards.

15. Modify the Merchant Marine Act of 1936 to provide capital reserve and/or special reserve privileges for dry bulk carriers similar to those enjoyed by the current subsidy contract berth lines. Extend this provision to Great Lakes shipping as well.

16. Repeal the no-mixing rule for inland barge lines so that large volume tows may continue to be operated and low rates for shippers preserved. Advance the replacement of obsolete equipment through provision for equipment trust arrangements. Oppose waterway or user charges on inland waterways.

17. Provide a realistic depreciation policy to stimulate investment capital for domestic waterborne commerce. Grant to domestic carriers the right to deposit a portion of earnings before taxes in a special reserve fund for purposes of ship construction, reconstruction or alteration as in the case of subsidy contract carriers. Amend Section 511 of the Merchant Marine Act of 1936 to accomplish this purpose.

18. Strive for programs and practices of upgrading of Americans and Panamanians and train new members to realize top classifications. In Panama, efforts must be exerted upon the Panama Canal Company, the military establishment, and all agencies and institutions employing workers.

19. Convince Government agencies to not reward corporations and persons who are not in compliance with U.S. laws, policies and practices. For example, the Department of Defense must stop awarding procurement contracts to companies whose aim it is to destroy union organizations. This applies to companies such as J. P. Stevens and to Contract Services, Inc.

20. Provide for at least three nuclear powered commercial ships, equipped with the latest nuclear units.

21. Provide for safety in the towing industry on our inland waters.

22. The oceans, the world's last natural frontier, which are expected to provide some forty percent of the United States' need for raw materials and foodstuffs, should be given a top priority by our Government for needed research and its inevitable development of resources to meet the population growth and its accompanying hunger. This should culminate in having a Cabinet-level Department of the Oceans in our Federal Government.

23. The shortage of U.S. flag tankers represents a major weakness in our security. Throughout the Viet Nam commitment the military has had to rely on foreign flag tankers to deliver petroleum products. This dangerous shortage can be eliminated only by a commitment of 50% of oil imports to U.S. flag ships—now. We strongly support such a position.

24. Provide for safety of life at sea for all who are employed aboard oceangoing vessels and for the travelling public by maintaining the present high standards of radio sea-safety provisions enforced by the Federal Communications Commission and by strengthening them; oppose any weakening of these provisions, such as the ambiguities in HR 5189 and HR 6971.

Full Train and Yard Crews on American Railroads

WHEREAS, The railroads during the past decade have conducted a propaganda campaign against all operating employes unmatched in vilification, and

WHEREAS, They would have the public believe they are sincere in efforts to provide good service, and

WHEREAS, They employ slick public relations experts to persuade the public that automation has made full train and yard crews unnecessary, and

WHEREAS, In fact, technological change has resulted in job intensification by operating longer, heavier and faster trains, and

WHEREAS, Railroad management has tacitly admitted the need for full, safe train and yard crews by having signed more than 100 collective bargaining agreements which call for 1 conductor and 2 brakemen in road service, and 1 conductor (Engine Foreman) and 2 helpers (Switchmen) in yard service within the past four years; therefore, be it

RESOLVED: That the AFL-CIO assembled in convention, go on record in full support of efforts by the United Transportation Union to maintain full safe train and yard crews on American Railroads.

Railroad Safety

WHEREAS, Railroad safety legislation is under consideration by the Congress of the United States due to the alarming increase of accidents on the railroads which took the lives of more than 2,400 human beings in 1967, in 1968, 146 employes were killed and 17,600 were injured, and

WHEREAS, A great number of these lives would have been spared if adequate inspection and maintenance of equipment and facilities had been enforced by law, and

WHEREAS, A review of railroad history points to the salient fact that railroads have only adopted practical safety measures when required to do so by enforcement of federal and state laws, and

WHEREAS, It has become clearly apparent to railroad workers and their union legislative representatives that additional federal legislation is needed to protect the public and themselves as the transportation of dangerous chemical and petroleum products roll across the country in volume increasing daily to serve our industrial complex; therefore, be it

RESOLVED: That the AFL-CIO, assembled give full support for the enactment into law of the proposed Railroad Safety Bills, S 1933 and HR 7068 and in the manner appropriate provide copies of this resolution to the Chairman of the Senate Commerce Committee, the Honorable Senator Warren G. Magnuson, and senators on this committee, and the same be done with respect to the chairman of the House Interstate and Foreign Commerce Committee, the Honorable Congressman Harley O. Staggers.

Hours of Service Act

WHEREAS, The Hours of Service Act which applies to railroad operating employes was approved by the United States Congress in the year 1907, and

WHEREAS, This law enables railroad management to require operating employes to remain on duty for 16 hours in a period of 24 hours, and

WHEREAS, Technological change has resulted in job intensification which has vastly altered conditions under which railroad operating employes performs service, and

WHEREAS, The Presidential Railroad Commission as far back as 1962 recommended a 12 hour limit in place of the 16 hour limit, and

WHEREAS, The Brotherhood of Railroad Trainmen now in the United Transportation Union at its past Convention instructed its Legislative department to seek a change in the law from a 16 hour limit to a 12 hour limit; therefore, be it

RESOLVED: That the AFL-CIO, assembled Convention, give full support for the enactment into law Bills, S 1938 and HR 8449 and in the manner appropriate copies of this Resolution be provided to the Chairman of the Senate Commerce Committee, the Honorable Senator Warren G. Magnuson, and all senators on this committee, and in the same manner provide copies to the Chairman of the Interstate and Foreign Commerce Committee, the Honorable Congressman Harley O. Staggers, and all congressmen on this Committee.

INTERNATIONAL AFFAIRS

The Present International Situation

Our estimate of the present international situation is presented fully in the Executive Council Report. To bring the situation up-to-date in regard to most recent developments of great concern to the American people, the Convention notes with approval the efforts made by President Nixon to bring the war to an end through negotiating an honorable peace.

The cause of peace can never be helped by division at the highest level of our government or by the call for unilateral American withdrawal. Such moves serve to negate the persistent efforts for peace being made by the President and only encourage the North Vietnam regime to continue the war and count on its sooner or later forcing our country to accept its demand for American capitulation.

In this critical situation, we reaffirm our solidarity with the Vietnamese Confederation of Labor (CVT) and salute its steadfast endeavors for the cause of democracy and social justice.

The Eighth Constitutional Convention of the AFL-CIO sharply condemns Moscow's aggression against Czechoslovakia and protests against the occupation of the country and the outrageous Soviet ordered purge of Dubcek and the others who dared raise their voice for some liberalization. We demand the immediate withdrawal of all Warsaw Pact forces and the restoration of the status quo ante. We urge our government to raise these demands in any bilateral talks with the Soviet government and in the UN General Assembly. The Convention assures the brave people of Czechoslovakia, and especially their courageous workers fighting for free and democratic trade unions, of the sympathy and solidarity of the American labor movement.

To justify its rape of Czechoslovakia, the Soviet government has proclaimed the so-called Brezhnev doctrine. According to this doctrine, Communist countries enjoy only limited sovereignty while Moscow has the right to intervene in their affairs as it pleases. This new policy has destroyed all hopes for early and fundamental changes in the Soviet Empire. It constitutes a formidable roadblock to German reunification in freedom, since it guarantees the preservation of East Germany as a "socialist state."

Latin America

The world below the Rio Grande is a vast and vital area in the throes of profound change—crumbling traditional social structures, rapid urbanization, huge population growth and intense yearning by the people for human dignity and a more just and adequate share in the benefits of modernization.

At least six Latin American countries already qualify as industrial states. This trend towards industrialization puts into sharp contrast the conditions in neighboring Latin American lands still steeped in agricultural and industrial backwardness, with their economies depending primarily on a single commodity for export, and weighed down by poverty and subject to chronic political instability.

Which way Latin America goes in its efforts to solve its many difficult social, economic, and political problems will have a profound effect on the entire course of international development—towards freedom, prosperity, and peace or towards dictatorship, destruction and war.

Because of our geographical proximity, traditional identification with the democratic aspirations of our neighbors to the south, essential identity of cultures, and many years of close relations with the Latin American peoples, our country has a special interest in helping these nations help themselves to become prosperous democracies contributing decisively to the promotion of freedom, social justice, and world peace. The urgent needs of Latin America and the protracted international crisis require that our country should be an active friend and partner of its peoples in their strivings to build a modern society unburdened by poverty and illiteracy and free from the peril of every form of dictatorship.

Towards this end, the Labor movement of the U.S. must spare no effort to help the Latin American and Caribbean trade union forces play their rightful role in building their homelands into increasingly stable democracies with expanding educational facilities and opportunities, sound and viable economies and the assurance of a just and adequate share in the benefits of higher agricultural and industrial productivity. The very nature and experience of our trade union movement enable us to stimulate and assist activities by the great mass of people—the workers on land and in the urban areas—who are responsive to self-help initiatives. The AFL-CIO Impact Projects and the AIFLD social projects have been of real assistance to campesinos and city workers in developing self-reliance—their own initiatives to secure democratic institutional changes and improvements.

We have worked loyally in the spirit of Title IX of the Foreign Assistance Act and in the furtherance of its basic aims. In line

with AFL-CIO policy, AIFLD educational efforts have helped Latin American workers and campesinos "to participate more fully in the civic and social institutions through which decisions are made." And we have consistently stressed that "the goal of development must be seen as encompassing far more than mere economic growth." This means higher wages, improved living standards, more and better education, assurance of human rights and active assumption of civic responsibilities.

The Eighth Constitutional Convention maintains that the program put forth, two years ago, by the Summit Conference at Punta del Este (Uruguay), provides sound guidelines for transforming Latin America into a continent of increasingly democratic and prosperous societies. In a basic sense, this transformation cannot be made for, but must be made by, the Latin Americans themselves. Outside assistance without expanding national self-help cannot have any lasting value.

We further underscore our support for the concept of the Alliance for Progress. In appraising its record, we must realize, first of all, that problems accumulated in four centuries cannot be solved in one decade. Its basic concept is sound; its application can be improved. Stripped of frustrating bureaucratic requirements, and over-optimistic forecasts for collective progress and unrealistic goals, the Alliance will be still more helpful. It has already demonstrated its great value in stimulating and assisting policies for meeting some of the problems with which the Latin American peoples have been struggling for many years.

Since 1960, the central governments of eleven countries have increased their expenditure on education by more than 11%. School enrollment has risen considerably throughout Latin America—55% increase in primary schools, with about 60% of those of primary school age now enrolled. Enrollment in secondary and higher schools has more than doubled. The central governments of many countries have increased substantially their expenditures on agricultural development, with eight countries more than doubling their outlays. In modernizing their tax systems, half the countries have raised their central government revenues by over 60%. Last but not least, gross investment has more than doubled in five countries; in four, there was an increase of more than 50%; eight central governments have raised their capital outlays by over 60%; in five, capital outlays rose by more than 100%.

What has already been done shows how much more can and must still be done. The soundest foundation for the well-being of the great mass of the people is the expansion of the domestic market. This expansion is most urgent and can be assured only by increasing their purchasing power and instituting a more equitable distribution of the national income.

Regardless of differences between various dictatorships, free labor cannot support any of them, no matter how much they may camouflage their seizure and abuse of power with glittering promises for social reforms or mask their hostility to democracy with demagogic nationalist-sounding phrases.

The co-operation of any military junta with local communist forces or with communist governments makes it only more dangerously reactionary—a greater threat to democracy without which there can be no bona fide free labor movement.

Experience has shown that arms sales to Central and South American governments for other than purposes of internal security only serve the reactionary interests and aggravate the dangers of war. Social and economic development is the first line of national defense for the Latin American countries. After all, the danger of external invasion in Latin America is unreal, owing to the shield provided by the OAS in which our country is an active participant.

As shown by its role in hastening the end of the Honduras-San Salvador conflict, the OAS can be a valuable peace-keeping force in the Americas. The OAS has likewise played a constructive role in its support of the Central American Common Market, the Alliance for Progress, the Declaration of Cundinamarca, and the Action Plan of Caraballeda which recognized the need for labor participation in the planning councils of the southern hemisphere.

The peoples of Latin America are moving forward, despite all the difficulties at hand—the ancient inertia, big landholders hostile to extensive land reforms and improved agricultural technology, the neo-isolationists in the U.S. masquerading as liberals, the irresponsible pseudo-left demagogues who promise the millenium overnight and the ever-destructive role of the Communists as a Soviet fifth column. The developing momentum for economic growth, coupled with social justice, is already impressive and will sweep aside the obstacles to progress throughout Latin America—progress which will count decisively in helping the entire world free itself from the burdens of poverty and the inhumanity of dictatorship and war.

As citizens and as workers, we of the AFL-CIO are pledged to tireless efforts in the promotion of the aims set forth in this declaration. Through our Union to Union Program, effective co-operation with ORIT and continued support of AIFLD, we shall generate mutual understanding and confidence in the ranks of inter-American labor and rally all-out support for the triumph of democracy and social justice throughout the Americas.

For Peace and Progress in the Middle East

The Convention views with satisfaction the recent talks between President Nixon and Prime Minister Golda Meir as a symbol and demonstration of friendship between the American people and the people of Israel in the continuing effort for peace.

In this connection, we welcome President Nixon's statement before the UN General Assembly on September 18, 1969 in which he emphasized the need for a directly negotiated commitment for peace between Israel and the Arab states.

An essential pre-requisite for peace in the Middle East is the elimination of further military conflict. Hence, the need to support Israel's capacity for defense, in view of the escalated massive flow of Communist weapons to Egypt, Syria, and Iraq. To upset the delicate balance of arms would expose Israel to an Arab onslaught and imperil her very existence. We, therefore, call upon the President and our Government to take urgent note of Israel's legitimate needs for defense with particular regard to aircraft and tanks. What the Republic of Israel needs are the means with which to defend herself and prevent another war which might lead to a world conflagration.

The AFL-CIO Convention views with deep concern the repeated occurrence of air piracy. In this connection, we demand the immediate release of the two Israeli civilian nationals held illegally in a Syrian jail, after being forcefully abducted from an American civilian passenger plane. We call upon the U.S. Government to step up its efforts for their release.

Our government would be well-advised to provide Israel with economic assistance to help her carry the enormous burden on her economy as a result of the continued hostility by the Arabs. In this connection, we strongly condemn the unrelenting terrorist drive by the various guerrilla groupings. These attacks—in violation of all international law, and with the backing of Nasser, his allies, the Moscow bloc, and Peiping—are aimed at disrupting Israel's economy, terrorizing the people of all countries which have peaceful relations with Israel and preventing a peaceful settlement of the Arab-Israeli conflict.

The Convention urges the UN to make a thoroughgoing survey of the conditions of the Arab population in Israeli-occupied territory and the Jewish minority in the various Arab lands with a view of recommending the measures necessary for eliminating inhuman and unjust treatment wherever found.

Developments in Africa

Supplementing the section of the Executive Council Report in regard to Africa, the Convention points to two recent significant developments.

The recent transfer of government from military to civilian rule in Ghana is the most welcome development in Africa in recent years. After being under military rule for 43 months—which followed the overthrow of the Nkrumah dictatorship—the Ghanaian people will now have civilian government with a democratic constitution which was adopted after consultation with them. The democratic forces participated actively in the elections and set a worthy example for the rest of the continent.

The tragic war between the Federal Government of Nigeria and the secessionist province of Biafra goes on. We support fully all humanitarian efforts to aid the victims of the war. We reaffirm our belief in the necessity of restoring and maintaining Nigerian national unity. In this spirit, we reassert the following declaration of the Seventh Constitutional Convention:

"Though not defending every action of the present Federal Government and while recognizing the justified reaction of the Ibo peoples of East Nigeria to the massacre of their people in the North, we cannot accept the idea of secession. . . . The entrance of the Soviets into the Nigerian picture is to be regretted. This Soviet incursion is, in a measure, due to the hesitation and reluctance on the part of the Western world to support the Federal Government in deed as well as in word."

ICFTU

The Eighth Convention approves the Executive Council Statement of May 14, 1969 on the difficulties which have arisen in the ICFTU and the resulting differences between it and the AFL-CIO.

We approve the steps taken by the Executive Council to prevent the breach in the international free trade union movement and the efforts of the Executive Council to achieve the restoration of free world labor unity.

National and International Waters and Jurisdictions

Technological advances in recent years have given new emphasis to unsettled problems with respect to areas of the earth covered by seawaters. Some of the questions involved are: (1) Who owns or has jurisdiction over the lands covered by seawater, during either high or low tides or both, which are contiguous to national coastlines? (2) Who has jurisdiction over lands under seawater which are beyond, but immediately adjacent to, tidal areas? (3) Who has jurisdiction over underwater lands beyond claimed national territorial limits and the edge of the continental shelf, and how is this question affected by the relative width or narrowness of the continental shelf? Who has jurisdiction over the high seas beyond the continental shelf and, most difficult of all, who has jurisdiction over the bottom of the oceans under the high seas?

These questions have always been troublesome, but their seriousness has been intensified by improved fishing techniques, exploration for oil on the continental shelf, the rapid development of oceanography, the development of atomic power, and other technological developments.

In the past, the rule of thumb was that a country's jurisdiction extended outward from its coast to the extent it was able to enforce its will by naval strength. The curtailment of this rule of thumb began with the development of the doctrine of freedom of the seas. This doctrine was fashioned into international law and sustained by powerful sanction when the British ruled the oceans. Once it was rather generally held that a country could validly claim jurisdiction over all areas within three miles of its coasts. With the development of bigger ships and more powerful guns, the three-mile limit was extended to twelve miles, and twelve miles as a limit became a kind of rule of thumb.

All of these solutions have been antiquated by technology. Fishing is no longer a primitive and simple operation. It has become a most sophisticated food-producing industry involving costly fleets and electronically guided catcher boats. In consequence, Americans, Japanese, British, and Portuguese—and more recently Japanese and Russians—have regarded the oceans as legitimate international fisheries so long as there was no poaching within the twelve-mile limit. However, more recently the great new "mother" fishing ships carrying "factories" aboard and their accompanying fleets have brought to a head the question of how closely foreign fishing fleets may approach national territorial limits. Lately, Peru, with its South Atlantic

coastline of over 5,000 miles, has extended its territorial waters two hundred miles offshore over the waters of the Humboldt current which teems with fish. This extension is being opposed by American and other worldwide fishing operations.

In addition, some well-known and formerly productive fisheries have, in recent years, become completely or partially unproductive. The Grand Banks between Canada and Northern Europe have almost ceased to be productive. Our own salmon grounds, particularly off the coast of Alaska, are being despoiled by Japanese and Russian fishing operations. Examples can be multiplied indefinitely. Unless some equitable settlement is reached in international agreement, most of the great fishing grounds may be ruined by reckless exploitation.

The United States pioneered in offshore exploration for oil. Formerly, the principal question in this area was whether the Federal or the state government had jurisdiction over the area of exploration. This aspect of the problem has recently been intensified by growing national awareness of the dangers of oil and other forms of pollution. At the same time, offshore drilling, by American and other oil explorers, has become almost worldwide. Experts believe that oil explorers now have it within their power to deplete rapidly any and all oil reserves at least within the continental shelf, because of the extreme variation in the width of the continental shelf. Nations are having great difficulty in attempting to delineate areas within which drilling by foreign interests can be safely permitted.

Oceanography, still in its infancy, seems to promise access to comparatively inexhaustible mineral, chemical, and nutritional resources. At present no one owns or claims jurisdiction over the depths beyond the continental shelf. Are rights there to be developed on a first-come, first-served basis? That was the rule of thumb for the establishment of rights in the New World after Columbus. However, to continue, in the present critical world situation, sub-division of the ocean-bottom on this archaic basis might lead to dangerous international confrontations. Closely related to this problem is the question whether, or to what extent, the ocean bottoms are to be used for military purposes.

In view of the aforementioned developments, the Convention calls upon our government to take the initiative in having the U.N. act for an effective international agreement for solution of the complex problems involved. Such American initiative will serve the best interests of international understanding and world peace.

The Convention further proposes that AFL-CIO maritime representation be included on all U.S. government boards for-

mulating policy on the above matters and on any U.S. delegation co-operating with the U.N. committees concerned with these problems.

Safeguard and Improve the United States Overseas Aid Program

Our country is a member of the world community. In the present time, when more than two-thirds of the world's population is emerging into an unparalleled political, social, and economic transformation, the United States cannot shirk its responsibilities, cannot be isolationist.

In this realization, the Eighth Convention declares that it is in the interest of the American people to promote conditions which are conducive to peaceful progress rather than to tension and violence. By helping the developing countries build vital economies geared to providing decent conditions of life and labor our country will make a vital contribution to the maintenance of world peace and advancement of freedom.

From trade unions, effectively promoting the conditions and standards of the workers in the developing countries, are essential to the attainment of this vital objective. Hence, the lasting value of the systematic and varied AFL-CIO assistance given to the rising trade union forces in their efforts to liberate themselves from poverty, ignorance, and lack of skills. The human and social factors must always be given prime consideration in all such endeavors, if they are to be fruitful.

Overseas aid is not a cash handout. It should be, above all, a program for providing technical know-how, assistance to human institutional development, education, agriculture and better health. It is a time-tested truth that if you hand a man a piece of bread or a bowl of rice, he will be fed only once, but if you teach him how to bake bread or grow rice, he will eat all his life.

The western democracies have done much more than the Communist powers to help the developing countries in their strivings to modernize their economies and close the dangerous gap between the poor and richer nations. This was recognized by the recent session of the United Nations Council for Trade and Development (UNCTAD) which reported that trade between the developing countries and the Communist lands was only about one-tenth of that with the non-Communist nations. However,

this should not make Americans complacent. Though the United States has more than half the combined income of the developed free world countries, we have provided less than half of the aid flowing to the developing nations. Last year, according to the findings of the Development Assistance Committee (DAC), our country was twelfth among the nations in the share of their gross national product (GNP) devoted to help for public and private development—well below Belgium, Britain, France, Germany and Holland.

The substantial reduction of the 1969 fiscal aid program has further reduced our proportionate share. President Nixon's budget proposed for fiscal 1970 requests that less than one half of one percent of our GNP should be allocated for economic aid to low-income countries. This contrasts with the almost 2% of our GNP which we provided Europe twenty years ago during the Marshall Plan.

In fact, the very idea of American overseas aid is now in serious jeopardy. Every American devoted to human well-being, freedom, and peace should be aroused to defeat the overt and covert efforts to end the Aid Program. Without adequate American overseas aid, the gap between the richer and poor nations can never be narrowed, let alone closed. 103 of the 139 independent states are still developing countries. Continuous progress towards narrowing this gap is essential to mankind's peaceful achievement of social progress and maintenance of world peace. To help the realization of this goal is not only our responsibility, but also our great opportunity.

Fully aware of the need to make our country's aid efforts more effective in helping the great mass of the people in the developing countries meet their pressing human needs, the Eighth Convention of the AFL-CIO reaffirms the following declaration made by the Executive Council on February 24, 1969:

"To insure that the great mass of people, rather than any privileged minority, in the developing countries, are the primary beneficiaries of American assistance, increasing emphasis should be put on expanding the activities of organizations like AIFLD, AALC, and AAFLI which promote the building of democratic institutions (free trade unions, cooperatives, private local impact projects, etc.)"

The world calls for greater endeavors by our country and expanded international collaboration to help the developing nations in their historic effort to achieve economic progress and assure their population an increasingly adequate and equitable share of the benefits of modernization.

Ratify the Human Rights Conventions

The history of the American labor movement is a history of struggle for human rights and the advancement of human well-being. In line with these aspirations, American labor has, for years, been seeking to have our government ratify certain basic human rights Conventions of the I.L.O.

The Eighth Constitutional Convention of the AFL-CIO strongly deplores the failure of the U.S. Senate, which has the responsibility for the ratification of Conventions (treaties), to do so.

Nearly twenty-one years ago—December 9, 1948—the U.N. General Assembly approved the Convention on the Prevention and Punishment of Genocide. To date, seventy-three nations have ratified this Convention. But the U.S. has not yet done so.

Eighty-two nations have ratified the Convention for the Abolition of Forced Labor. But the U.S. has not yet done so.

Sixty-one nations have already ratified the Convention on the Political Rights of Women. But the U.S. has not yet done so.

Seventy-six countries have already ratified the Convention on Freedom of Association. But the U.S. has not yet done so.

So far, the Senate Foreign Relations Committee has acted favorably only on the Supplementary Convention on Slavery. The other Human Rights Conventions (considered as treaties) have rested in the Senate Foreign Relations Committee for years. The advice and consent of the Senate—with two-thirds of the Senators present concurring—are required for the ratification of treaties. This advice and consent for their ratification is long overdue. The best interests and good name of the American people are not served by those who, through acts of omission or commission, deny or delay such advice and consent. Further denial or delay will serve only those who seek to misrepresent the ideals and slander the aims of our country.

The so-called sanctity of "states' rights" can no longer serve as an excuse for refusing to ratify these Conventions, because the American people, as a whole, already enjoy the freedoms, rights, and standards called for by these conventions. Indeed, it was not because of the non-existence of these rights in America that our country was a foremost champion of the above mentioned conventions. The U.S. pushed for their adoption by the United Nations in the interest of those peoples whose governments deprived them of these freedoms. The non-ratification of these conventions by the U.S. serves as an excuse for such governments either not to ratify or not to implement them. It furthermore handicaps the U.S. in pressing for U.N. investiga-

tion of violations of these Conventions, one of the most flagrant being the Soviet Union's brazen disregard of the convention on forced labor.

We propose that a full scale debate on these Conventions be held in the U.S. Senate in order to help overcome the evil effects caused by the years of delay in acting on them. Such a debate would also serve to expose and refute the hostile propaganda against our country's world role.

We appeal to the members of the U.S. Senate and particularly urge every member of its Foreign Relations Committee to have its Chairman, Senator Fulbright, cease and desist from all further delays in recommending ratification of the above-cited remaining human rights treaties. The national interests of the American people, the international repute and stature of our country, demand prompt Senate ratification of these Conventions.

International Trade

Organized labor's consistent support of U.S. reciprocal trade policies and the expansion of world trade has been based on the goal of increasing employment and improving living standards at home and abroad.

Changes in world economic conditions require changes in U.S. trade policies. The Reciprocal Trade Agreements Act was adopted in 1934, during a depression which was aggravated by world-wide protectionism. The General Agreement on Tariffs and Trade of 1947 was signed amidst war-devastated national economies in most parts of the world. The Trade Expansion Act was passed in 1962 with great expectations that have not been fulfilled and with the promise of adequate adjustment assistance for adversely affected workers and firms that has not been kept.

In 1967, the AFL-CIO called on the Administration and the Congress to reassess and revise the nation's trade policies, in the light of substantial changes in international investment, production, economic aid and trade. But these policies have not been updated. In 1969, the continuing deterioration of the U.S. position in world trade requires new national policies.

The overall U.S. position in foreign trade has deteriorated, while world trade has expanded substantially. In manufactured goods, U.S. exports have declined from 27.7 percent of world exports to foreign markets in 1958 to about 23 percent of much greater world exports in 1968. U.S. exports have been rising slowly, while imports, particularly of manufactured and processed goods, have been rising rapidly. The result has been a narrowing

surplus of exports over imports—down to \$800 million in 1968—and no improvement is predicted for 1969.

Temporary factors, such as the rapid growth of the U.S. economy from 1965 to 1968 and the more rapid rise in the price level since 1965, can explain only part of this deterioration. Basic causes of the change involve new factors that came to the fore in the 1960s and pose more serious problems for the 1970s.

By the 1960s, regional trading blocs and the revived economies of previously war-shattered nations were creating new trading conditions for the U.S.

During the past twenty-five years most countries moved to manage their national economies—with direct and indirect aids for exports and bars to imports that have affected the U.S. trading position.

The skyrocketing investments of U.S. companies in foreign operations—combined with licensing arrangements and patent agreements—have transferred American technology and know-how to plants throughout the world. As a result, the U.S. productivity lead has been narrowed or eliminated in numerous industries. Much of the foreign operations of U.S. firms, in plants, with American technology, that pay workers as little as 15 cents an hour, substitutes for U.S. production—exporting American jobs and displacing U.S.-produced goods in American and world markets.

The rapid growth of U.S.-based international companies has been substantially changing the composition, as well as the size of U.S. exports, imports and the trade balance. These companies can juggle exports, imports, prices, profits and dividends from one subsidiary to another, across national boundaries, for the private advantage of the firm. In 1969, a large share of U.S. exports and imports are intra-corporate transactions, within the structure of U.S.-based international companies.

Moreover, while U.S. trade, investment and aid policies have fostered expanded world trade and the rapid development of foreign production, many other nations' policies have failed to move in a similar direction, at a pace that would help equalize the healthy improvement of living standards among nations. In addition, emphasis on expanded trade in many industrial and developing nations has failed to take into consideration the need to expand consumer markets and to improve domestic economic and social conditions. At the same time, the vast American market, with its high living standards, is a prime attraction to the exports of foreign firms and foreign subsidiaries of American companies.

The combination of these conditions has resulted in soaring increases of imports of a wide and spreading variety of products and components in recent years—disrupting markets, with ad-

verse impacts on workers, communities and smaller companies.

Old concepts and labels of “free trade” and “protectionism” have become outdated in this world of managed national economies, international technology, the skyrocketing rise of U.S. foreign investment and the growth of multi-national companies.

AFL-CIO support for the orderly expansion of trade does not include the promotion of private greed at public expense or the undercutting of U.S. wages and labor standards. Our support for expanded trade involves the expansion of employment at home and among our trading partners. Our objective is to actively promote improved living standards and working conditions here and abroad.

No single action can attempt to meet the varied complex of trade and investment issues. There is no single measure that can solve the problems of different groups of workers in different industries and product-lines.

A battery of realistic policies and measures must be adopted and implemented to meet the needs of over 200 million people in a diverse national economy of continental size. Therefore be it

RESOLVED: 1. The AFL-CIO supports the healthy expansion of international trade on a reciprocal basis in the national interest. The foundation of government policies on international investment, trade and economic aid should be the well-being of the American people.

2. Appropriate government and private actions should be encouraged to promote growing exports. Such expansion, however, has no priority over domestic needs. Tax incentives or subsidies to business for export purposes are unnecessary.

3. We call upon the government to enforce, without undue delay, the laws that apply to unfair competition from foreign countries, such as antidumping and other appropriate measures. Through administrative procedures, the U.S. should pursue concern for domestic interests, as foreign countries do for their national interests.

4. The Trade Expansion Act of 1962 should be revised. The escape clause mechanism should be made effective by changing the criteria for relief. The law should clearly state the objective of protecting jobs and labor standards.

Section 252 of the Act, which calls for the removal of U.S. concessions to any nation which raises unfair or unreasonable barriers to U.S. exports, should be rewritten to clearly include exports of U.S. industrial, as well as agricultural products.

Congressional authority to negotiate removal of non-tariff barriers should exclude any adverse impacts on U.S. minimum wage, national labor standards, consumer protection and social legislation.

An effective and workable trade adjustment assistance mechanism must be adopted, as an integral part of the nation's trade policy. Trade adjustment provisions should be amended to make the government's judgment of criteria for relief more realistic and equitable. The administration of trade adjustment should be changed to insure that a worker displaced by imports receives assistance. Decisions on trade adjustment assistance cases should rest in the Executive Branch of the government and not in the Tariff Commission.

Statutory authority should be granted to the President for emergency action, including trade restraints, to meet monetary and trade crises.

5. The International Cotton Textile Agreements should be renewed without any erosion in its safeguards against disruption or its effective enforcement. Supplementary agreements covering international trade in textiles and apparel made of other fibers should be negotiated or the AFL-CIO will support Congressional legislation for appropriate action.

6. Additional agreements to regularize world trade are needed and should be concluded in industries and for products sensitive to disruption by rapidly rising imports and unfair competition. We urge the executive Branch of the government to negotiate, as soon as possible, international arrangements to prevent market and job disruption in such industries and products. If the executive agencies of the federal government fail to engage in such negotiations, covering these problems, the AFL-CIO will support appropriate Congressional legislation.

7. Any extension of tariff-cutting authority for compensation purposes should be minimal.

8. No tariff-cutting authority, beyond the authorization of the Trade Expansion Act of 1962 should be approved if there is any change of the methods of valuation of imports, such as the American Selling Price.

9. The United States should seek the development of workable international fair labor standards in international trade through international negotiations. This aim should be sought not only to protect U.S. workers against unfair competition, but also to assure workers in other countries a fair share of the increased returns resulting from expanded trade. The United States should seek annual reports from member countries of the GATT on labor standards of exporting countries.

10. The United States should try to help developing countries in their efforts toward improved trade and economic development. The goal should be the development of viable free societies in those countries, with growing consumer markets and improving labor standards. Economic aid should emphasize internal, not trade-led development. Expanded trade should be viewed as a

supplement to, and not a substitute for the sound economic development of those countries, based on expanding domestic markets.

Any exploration of preferences on semi-manufactured and manufactured products from developing countries should include appropriate mechanisms for preventing market disruption and adequate fair labor standards, as well as general, equivalent programs among all major industrial countries. In addition, commodity agreements that are effective both for producer and consumer interests should be worked out. Such agreements should contain effective clauses for fair labor standards; they could provide a basis for needed expanding consumer markets in the developing countries, as well as a fair share of economic progress for workers.

11. The export of U.S. capital and its effect on international trade should be thoroughly investigated and appropriate government supervision and necessary regulations should be instituted. Until there is a basic improvement of the balance-of-payments problem, there should be direct restrictions and controls on U.S. investment in developed countries. Mechanisms for such restrictions are already established in all other major industrial countries. Effective tax policies should be adopted to prevent avoidance and/or evasion of U.S. taxation on profits from foreign investments. The Congress should examine the operations of international companies for the purpose of developing supervision and regulation of the operations of U.S.-based multi-national firms.

12. Consumer interests in international trade require adequate labeling of foreign products and foreign-made components by both the Federal Trade Commission and the Customs Service. The Federal Trade Commission and other administrative agencies of the U.S. government should emphasize the need for consumer protection and consumer information in the enforcement of the nation's consumer legislation.

13. East-West trade should be viewed as a tool of our nation's foreign policy, not a mere commercial issue. Appropriate precautions against exporting U.S. technology and prohibitions against exporting strategic items are essential.

14. The U.S. government should encourage the use of U.S. flagships and seek to remove freight rate discrimination against U.S. exports.

15. Item 807 and similar provisions of the tariff code, which provide financial encouragement to foreign production and the juggling of operations by international companies, should be repealed.

16. Studies should be conducted to determine new approaches to international trade. Such studies should include recommen-

dations for better mechanisms for dealing with problems of injury from trade, for examining new bargaining strategies, for improving the government's ability to collect and distribute information on international trade, investment and economic aid. Legislation should be adopted to require federal agencies to collect and publish information on international trade, aid and investment relationships and product flows. We ask the President of the AFL-CIO to appoint a permanent committee to study in depth the problems caused by multi-national corporations.

The Export of American Jobs

The skyrocketing rise of foreign investments of U.S. companies—accompanied by licensing arrangements and patent agreements of U.S. companies with foreign firms—has resulted in the export of American technology and American jobs.

Direct investments of U.S. firms in foreign subsidiaries, factories and other facilities soared from \$3.8 billion in 1960 to \$10.7 billion in 1968. These investments have been financed partly by outflows of U.S. capital, partly by profits and depreciation of foreign subsidiaries and partly by foreign-raised capital.

Outflows of U.S. capital for the direct investments of American companies in foreign subsidiaries skyrocketed from \$621 million in 1950 to \$1.7 billion in 1960 and to \$3.6 billion in 1966—a major cause of the balance of payments problem. Even with government restraints in 1968, these outflows of private American capital were \$3 billion.

The operations of foreign subsidiaries of U.S. companies and “foreign flag” shipping have cost American jobs, invaded hard-won gains of U.S. unions and threaten to undermine labor standards in some industries. Each dollar of these foreign investments does not represent the export of American jobs. But much of the approximately \$100 billion in U.S. private investments in foreign subsidiaries has substituted foreign low-wage jobs, with American technology, for U.S. production and American jobs—without benefitting either economy in fair measure.

U.S. firms have set up plants, with American technology and American productivity levels, in numerous countries around the world. The exported technology is often the product of U.S. government-subsidized research and development, paid for by American taxpayers. Workers in these plants, earning as little as 15 cents an hour in some countries, produce parts or whole products for sale in the U.S. market at U.S. prices. Or the goods may be sold in world markets, in direct competition with U.S.-produced goods.

Competition in world trade has become increasingly based on wage or tax competition or both—defeating the goal of sound economic growth, which requires expanding consumer markets in foreign countries and at home. Moreover, the U.S. government provides assistance to U.S. companies that seek foreign locations for plants and other facilities.

U.S.-based international companies operate plants and other facilities, for their private advantage, in as many as 40 or more different countries—substantially changing patterns and impacts of world trade and investment. In the name of “free trade,” “world competition,” and “American interest,” many U.S.-based international companies juggle production, employment, prices, profits, shipping, technology, patents and national currencies across boundary lines and oceans, to build world-wide concentrations of economic power in various industries.

The export by private U.S. companies of patents, frequently developed at the expense of the U.S. government and taxpayer, is a developing form of exporting American jobs, in addition to the direct establishment of subsidiary operations. Entire plants and branches of industries are being shut down or cut back, so that U.S.-based international conglomerates can make financial gains.

American workers are affected by these trends, as foreign production by subsidiaries and holders of U.S. patent and licensing agreements substitute for some U.S. exports, add to U.S. imports, compete with U.S.-produced goods in the American market or world markets. The effect may be immediate, with plant or department shutdowns—or long-range, in the failure to increase U.S. production sufficiently to provide jobs for a rapidly growing labor force.

American taxpayers pay part of the cost of these developments, when government-subsidized new technology is exported through foreign investments, patent agreements or licensing arrangements of U.S. firms for their private advantage. Taxpayers also pay for the assistance of government agencies to companies that are looking for foreign operations, as well as for the adverse impacts on communities and job opportunities.

Moreover, the American consumer pays U.S. prices for the goods produced and shipped under these conditions—providing fat profit margins for the companies.

The U.S. government has not taken necessary steps to supervise the outflows of private capital. Government restraints, adopted in 1968, have been weakened substantially, while government assistance to foreign operations of U.S. companies continues. Therefore, be it

RESOLVED: The federal government should adopt and put

into effect measures to supervise and regulate the outflows of private American capital.

We urge the Congress to investigate the foreign operations of U.S. companies—with special reference to impacts on American production, employment and living standards—to improve measures that can effectively curb the outflow of American capital.

Congress should enact legislation to supervise the operations of U.S.-based international companies.

Section 807 and similar provisions of the U.S. Tariff Code, which encourage the export of American jobs through special low tariffs on imports of goods that are partially foreign-produced, should be repealed.

The federal government should enforce U.S. laws on unfair competition and antitrust, as they apply to imports.

We urge the Congress to examine methods to bar the use of U.S. trade and investment policies for strikebreaking and the undermining of American labor standards.

Congress should require federal agencies to collect and publish adequate data and information on foreign trade and investment—including the imports, exports, investments, patent and licensing arrangements of U.S.-based international companies.

U.S.-Mexican Economic Relations

Friendly relations between the United States and Mexico require programs that enhance the well-being of people in both countries. However, continued exploitation of workers in the name of friendship and economic development threaten to undermine this goal.

The Mexican government's border industrialization program and its National Frontier Program (PRONAF) have been used to lure U.S. firms to set up plants South of the U.S. border—to use low-wage Mexican labor to assemble goods for shipment and sale to U.S. consumers at U.S. prices, while Mexican consumers cannot buy these Mexican-assembled products in Mexico.

Non-union plants, evasion of Mexican laws and cheap labor production for the high-priced U.S. market do not build friendship or economic development on the Mexican side of the border. False propaganda about jobs attract more Mexicans northward which worsens unemployment and social conditions on both sides of the border. In addition, the effects of the program extend beyond the border area, as some U.S. firms have used the basic

principles of the border program in the heart of Mexico—the use of cheap wage labor, exclusively for export to the high-priced U.S. market.

In the United States, the tariff law gives financial aid to this effort, and U.S. customs and other government officials have worked to promote the program. Yet the export of U.S. jobs occurs primarily in the Southwestern United States where farm employment is declining. The border unemployment rate is nearly 6% overall and some border counties report unemployment rates of 9%. Moreover, hundreds of thousands of American families in the area have annual incomes of less than \$2,000. Some of the jobs exported to Mexico affect needed employment in other areas of the United States, as well, including communities that have an urgent need, to maintain job opportunities for unskilled and semiskilled workers. These developments also adversely affect the efforts of many American workers to improve their wages and working conditions.

But U.S. border cities, some state development authorities and even some U.S. government officials, continue to support and promote the program of transferring assembly and other labor-intensive production operations from the U.S. to Mexico where workers are paid 30 cents an hour. In the process the U.S. minimum wage law is evaded by the export of jobs, while on the Mexican side of the border, it is reported that the Mexican minimum wage law is not effectively enforced. On both sides of the border, labor laws of both countries are evaded or often violated. And U.S. government manpower policy is abused as federal training funds are used, at times, to support this effort, which results in the exploitation of labor.

Equally serious problems have been created from the influence of these border programs on the influx of Mexican nationals into the U.S.—as “green card” commuters, temporary commuters or illegal entrants.

Propaganda about the border programs lures Mexicans northward, many of them becoming commuter workers, not knowing the language or U.S. labor laws—understanding labor standards in plants on the U.S.-side of the border, which may be subsidized by the Economic Development Administration or other federal programs to meet U.S. unemployment problems. Now therefore be it.

RESOLVED: The United States government should enforce the pertinent laws of the United States concerning labor, trade and customs regulations with Mexico, as with other countries—including labelling laws and declarations of shipping contents.

The United States government should make sure that every federal agency effectively enforces the laws of the United States along the border with Mexico.

We urge the Congress to investigate the use of federal manpower training and anti-poverty funds and the operations of federal agencies to subsidize or promote the export of U.S. jobs to Mexico and the undermining of U.S. labor standards.

The Congress should repeal Section 807 and similar provisions of the tariff code, which provide special low-tariffs on goods assembled or partially produced in Mexico.

The so-called Commission for Border Development and Friendship should not be given statutory authority by Congress.

The AFL-CIO and its affiliated unions will continue to make known to the American public the facts about these problems and the injury to people in both countries—workers, consumers and taxpayers—that is developing.

Mexican Border Crossing

Wage standards and working conditions in the United States are constantly undermined by unfair competition from Mexican nationals who enter the United States through "green cards," commuter privileges and illegal entries.

The so-called "green card" problem involves Mexicans who are issued I-151 identification cards given to all aliens who are lawfully admitted for permanent residence in the United States. The United States Immigration Service has adopted a "permanent resident" fiction, which in effect allows workers who live in Mexico and commute into the United States to get such cards. This fiction and the law itself have been abused and the number of so-called green card commuters has been growing. Administration of this law is very lax.

In addition, the Immigration Service issues 72-hour passes which bear no date of issuance, which add to the influx of workers who undermine and undercut U.S. wages and working conditions.

A third problem involves the large number of illegal entrants into the U.S. as the border between the two countries has not been effectively policed.

This combination of problems adds up to a persistent undermining of the labor standards and working conditions of U.S. citizens. Strike-breaking and unfair competition with workers seeking their rights to organize on the farms and in the factories of the U.S. have led to increasing troubles along the Southwest border.

With the development of the border industrialization program by the Mexican government, the problem is compounded.

Immediate administrative action to enforce existing laws and adoption of new legislation are required. Therefore be it

RESOLVED:

1. The Congress should enact laws and provide for their effective enforcement, which can bring under control the existing widespread use of Mexican commuters which undermines American wage and labor standards, narrows employment opportunities for American workers, and provides a constant threat of strike-breaking. Legislation which would begin to bring this situation under some control is contained in the Kennedy-Feighan Bill, S. 1694 and H.R. 9505 and the Mondale-Thompson Bill, S. 2568 and H.R. 12667. We urge that legislation along these lines be promptly enacted.

2. The U.S. Department of Justice should enforce law along the Southwest border to prevent illegal entry of workers, now undermining U.S. wages and working conditions.

3. The U.S. Department of Justice should stop creating new "green card" commuters and issue regulations to curb the influx and end the abuse of the permanent resident fiction and the 72-hour pass.

4. The U.S. Department of Labor and other government agencies should ensure that those who are legally admitted to this country be protected by the laws of the United States, including fair labor standards, social security, and the right to organization.

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